

April 24, 2003

JAMES SPRINGER
ENTERTAINMENT INDUSTRY COALITION
209 ½ - 1ST AVE SOUTH STE 302
SEATTLE WA 98102

Subject: Complaint Filed Against Citizens Against Gambling Expansion and its
Treasurer, Philip Lloyd - PDC Case No. 03-157

Dear Mr. Springer:

The Public Disclosure Commission staff has completed its investigation of your complaint received February 13, 2003, alleging that Citizens Against Gambling Expansion (CAGE) and its treasurer, Philip Lloyd, failed to timely register and report its lobbying and grassroots lobbying activities, and failed to disclose its contributions received and expenditures made in support of its activities.

The PDC staff reviewed your allegations in light of the following statutes:

RCW 42.17.160 exempts certain persons and activities from registration and reporting under RCW 42.17.150 and 42.17.170. Persons are exempted who lobby without compensation or other consideration for acting as a lobbyist, provided such persons make no expenditures for or on behalf of any member of the legislature or elected official or public officer or employee of the state of Washington in connection with such lobbying.

RCW 42.17.200 requires persons who make expenditures in the aggregate exceeding \$500 within any one-month period or \$1,000 within any three-month period in presenting a program addressed to the public, a substantial portion of which is intended, designed, or calculated primarily to influence legislation, to register and report within 30 days of becoming a sponsor of a grassroots lobbying campaign.

RCW 42.17.020(19) states that "Expenditure" includes a payment ... and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

You alleged that CAGE failed to register and report its efforts to lobby the legislature directly on gambling related legislation during the 2003 legislative session. You also alleged that these efforts began in December 2002 and have not been reported.

Concerning these alleged violations, we found that:

- On January 10, 2003, using CAGE letterhead, CAGE sent a letter to legislators that constituted lobbying.
- On January 21, 2003, using CAGE letterhead, CAGE sent a letter to the Governor that constituted lobbying.
- CAGE has not paid its staff, volunteers, or others to lobby, and has not reimbursed anyone for lobbying related expenses.
- No evidence was found that anyone lobbying on behalf of CAGE has made expenditures for or on behalf of any member of the legislature or elected official or public officer or employee of the state of Washington in connection with such lobbying.

Thus, PDC staff found no evidence that anyone was required to register as a lobbyist on behalf of CAGE.

You alleged that CAGE has engaged in grassroots lobbying activities since December 2002, and has failed to timely register its grassroots lobbying activities. We found that:

- In 2002, the Washington Indian Gaming Association (WIGA) hired the consulting firm Cocker Fennessy to assist in its efforts to block the expansion of legalized gambling. As part of that effort, on behalf of WIGA, Cocker Fennessy organized civic and community leaders who are known to oppose the expansion of legalized gambling. King County Prosecutor Norm Maleng and former Governor Booth Gardner were recruited as part of that effort by Cocker Fennessy.
- On December 3, 2002, Cocker Fennessy, on behalf of WIGA's efforts, registered a Web domain name of "nomoregambling.com." At that time, CAGE did not exist. Volunteer work by Booth Gardner and Norm Maleng completed during December 2002 were done on behalf of WIGA's efforts.
- CAGE came into existence on January 7, 2003, and first incurred reportable expenditures as the sponsor of a grassroots lobbying campaign on January 8, 2003, when it incurred an \$870 obligation for design of the CAGE website. Further, on January 23, 2003, CAGE, using CAGE letterhead, sent a letter to local elected officials that constituted grassroots lobbying.
- In mid to late January 2003, CAGE decided to accept responsibility for WIGA's January expenditures related to the gambling expansion issue. CAGE communicated its decision to Cocker Fennessy in early February 2003.
- Under RCW 42.17.200, CAGE had a requirement to report as a sponsor of a grassroots lobbying campaign within 30 days of January 8, 2003; that is, by February 7, 2003.

- On February 5, 2003, CAGE filed a Political Committee Registration Statement (PDC form C1-pc) to report its sponsorship of a grassroots lobbying campaign. On February 10, 2003, CAGE filed PDC form C-4, along with the related schedules, disclosing its grassroots lobbying expenditures. On February 12, 2003, CAGE amended its C1-pc to list its co-chairs, Booth Gardner and Norm Maleng.

Thus, CAGE reported its grassroots lobbying activities three days late on February 10, 2003. Even though CAGE registered and reported as a political committee, it did not meet the definition of a political committee since its activities have been limited to that of a grassroots lobbying campaign.

You alleged that CAGE has failed to disclose contributions received and expenditures made in its grassroots lobbying activities. Specifically, you alleged that CAGE incurred reportable expenditures in December 2002 and failed to report these expenditures on its January C-4 report. You also alleged that by showing a large expenditure as a debt to Cocker Fennessy on its January C-4 report, without showing any monetary expenditures, or the receipt of any monetary contributions or pledges, there may be undisclosed pledges to guarantee payment of the expenditures. We found that:

- CAGE reported its January grassroots lobbying activities on February 10, 2003, showing obligations to Cocker Fennessy totaling \$11,538.75. CAGE reported no monetary expenditures, monetary contributions received or pledges received.
- CAGE reported its February grassroots lobbying activities on March 10, 2003, showing obligations to Cocker Fennessy, Kent Patton, and Sound Business Services totaling \$32,875.99. CAGE reported no monetary expenditures, monetary contributions received or pledges received.
- CAGE reported its March grassroots lobbying activities on April 10, 2003, showing obligations to Cocker Fennessy, Kent Patton, Sound Business Services and PMA Direct Marketing totaling \$45,653.94. CAGE reported no monetary expenditures, monetary contributions received or pledges received.
- On March 27, 2003, CAGE sent out a fundraising letter to securing funding to pay for the expenditures it has incurred.
- Cocker Fennessy has an oral agreement with CAGE that CAGE will be charged for services and expenses. Cocker Fennessy expects to be paid in full for the services being provided to CAGE. CAGE treasurer Philip Lloyd confirmed that CAGE has made no monetary expenditures, has received no monetary contributions and has received no pledges. Mr. Lloyd confirmed that fundraising is in progress.

CAGE became the sponsor of a grassroots lobbying campaign on January 8, 2003, when it first incurred reportable expenditures exceeding \$500 in one month presenting a program to the public intended to influence legislation. CAGE reported its grassroots lobbying activities three days late on February 10, 2003. All activities of CAGE occurred on January 8, 2003 or later. All activities occurring prior to January 2003 were by or on

James Springer, Chairman,
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behalf of WIGA and were paid for and reported by WIGA. As of March 31, 2003, CAGE has incurred a total of \$45,653.94 in expenditures, in the form of obligations, to Cocker Fennessy and others for its grassroots lobbying campaign. CAGE is presently soliciting contributions to pay for its campaign. Filing the initial activity three days late does not merit formal enforcement action.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against CAGE and Philip Lloyd.

If you have questions, please feel free to contact Phil Stutzman, Director of Compliance, at (360) 664-8853, or toll-free at 1-877-601-2828.

Sincerely,

Vicki Rippie
Executive Director

c: Citizens Against Gambling Expansion



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm 206, PO Box 40908 * Olympia, Washington 98504-0908 * (360) 753-1111 * Fax (360) 753-1112
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BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

| | | |
|---------------------------|---|-------------------------|
| IN RE COMPLIANCE |) | PDC CASE NO: 03-157 |
| WITH RCW 42.17 |) | |
| |) | |
| CITIZENS AGAINST GAMBLING |) | |
| EXPANSION, AND |) | |
| PHIL LLOYD, TREASURER |) | REPORT OF INVESTIGATION |
| |) | |
| Respondent. |) | |
| _____ |) | |

I.

BACKGROUND

- 1.1 On February 5, 2003, the Citizens Against Gambling Expansion (CAGE) filed a Political Committee Registration (PDC form C-1pc). The registration stated that the purpose of the committee was to oppose the "*expansion of legalized gambling (in lieu of L6 reporting)*."
- 1.2 On February 10, 2003, CAGE filed a Summary, Full Report of Receipts and Expenditures (PDC form C-4), for activity between January 1, 2003, and January 31, 2003. The C-4 showed that the committee had incurred an \$11,538.75 obligation to Cocker Fennessy, a political consulting firm, on January 31, 2003, and had not made any contribution deposits or monetary expenditures during the reporting period.
- 1.3 On February 13, 2003, a complaint against CAGE was received from James Springer, Chairman of the Entertainment Industry Coalition. The complaint alleged that CAGE was conducting an extensive lobbying and grassroots lobbying campaign in opposition to an expanded-gambling proposal being considered in the current legislative session. The complaint alleged that CAGE violated RCW 42.17.040 by failing to timely register itself as a political committee, and violated RCW 42.17.080 and .090 by failing to timely report its contributions and expenditures.

"The public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private."

RCW 42.17.010 (10)



II.

SCOPE

- 2.1 Staff reviewed the complaint letter filed by James Springer, received on February 13, 2003.
- 2.2 Staff reviewed the following documents from CAGE:
 1. C-1pc registration filed February 5, 2003.
 2. Amended C-1pc registration filed February 12, 2003.
 3. C-4 report filed February 10, 2003, for the period of January 1, 2003, through January 31, 2003.
 4. Amended C-4 report filed March 1, 2003, for the period of January 1, 2003, through January 31, 2003.
 5. C-4 report filed March 10, 2003, for the period of February 1, 2003, through February 28, 2003.
 6. Response to the complaint filed by James Springer, received from CAGE treasurer Phil Lloyd on March 3, 2003.
 7. C-4 report filed April 10, 2003, for the period of March 1, 2003, through March 31, 2003.
 8. Statement from Phil Lloyd, treasurer of CAGE, received on April 23, 2003.
- 2.3 Staff reviewed the Lobbyist Monthly Expense Report filed by Joe Beck on behalf of WIGA on January 8, 2003, for the month of December, 2002.
- 2.4 Staff reviewed a copy of a letter, received on April 1, 2003, soliciting funds for CAGE, dated March 27, 2003, and signed by Norm Maleng.
- 2.5 Staff reviewed copies of invoices, provided by Cocker Fennessy on April 4, 2003, detailing work performed by the firm for its clients CAGE and the Washington Indian Gaming Association (WIGA) during December, 2002, and January, 2003.
- 2.6 Staff reviewed copies of letters sent by CAGE to members of the legislature, to Governor Locke, and to local elected officials and community leaders, provided by Cocker Fennessy on April 9, 2003.
- 2.7 Staff reviewed a letter from Rick Cocker of Cocker Fennessy, received on April 23, 2003.
- 2.8 The following persons were interviewed under oath by staff:

1. Phil Lloyd, treasurer of CAGE, was interviewed under oath on March 26, 2003.
2. Rick Cocker of Cocker Fennessy was interviewed under oath on April 9, 2003.

III.

LAW

3.1 RCW 42.17.020 states, in part:

“(19) "Expenditure" includes...a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

“(33) ‘Political committee’ means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.”

3.2 RCW 42.17.040 states, in part:

“(1) Every political committee, within two weeks after its organization or, within two weeks after the date when it first has the expectation of receiving contributions or making expenditures in any election campaign, whichever is earlier, shall file a statement of organization with the commission and with the county auditor or elections officer of the county in which the candidate resides, or in the case of any other political committee, the county in which the treasurer resides....

(2) The statement of organization shall include but not be limited to:

... (c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders[.]”

3.3 RCW 42.17.080 states, in part:

“(1) On the day the treasurer is designated, each ... political committee shall file with the commission and ... the county in which the treasurer resides, in addition to any statement of organization required under RCW 42.17.040 or 42.17.050, a

report of all contributions received and expenditures made prior to that date, if any.

(2) At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which ... the committee maintains its office or headquarters, and if there is no office or headquarters then in the county in which the treasurer resides, a report containing the information required by RCW 42.17.090:

...(c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars."

3.4 RCW 42.17.090 states, in part:

"(1) Each report required under RCW 42.17.080 (1) and (2) shall disclose the following:

...(b) The name and address of each person who has made one or more contributions during the period, together with the money value and date of such contributions and the aggregate value of all contributions received from each such person during the campaign or in the case of a continuing political committee, the current calendar year: PROVIDED, That pledges in the aggregate of less than one hundred dollars from any one person need not be reported...

...(h) The name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days[.]"

3.5 RCW 42.17.150 states, in part:

"(1) Before doing any lobbying, or within thirty days after being employed as a lobbyist, whichever occurs first, a lobbyist shall register by filing with the commission a lobbyist registration statement, in such detail as the commission shall prescribe[.]"

3.6 RCW 42.17.160 exempts certain persons and activities from registration and reporting under RCW 42.17.150, 42.17.170 and 42.17.200. Exempted are persons who lobby without compensation or other consideration for acting as a lobbyist, provided such persons make no expenditures for or on behalf of any member of the

legislature or elected official or public officer or employee of the state of Washington in connection with such lobbying.

- 3.7 RCW 42.17.200 requires any person who has made expenditures exceeding one thousand dollars in any three-month period or exceeding five hundred dollars in any one-month period, in presenting a program addressed to the public that is intended, designed, or calculated primarily to influence legislation, to register and report as a sponsor of a grassroots lobbying campaign, if these expenditures are not reported by a registered lobbyist, a candidate or political committee.

IV.

FINDINGS

- 4.1 On February 5, 2003, the Citizens Against Gambling Expansion (CAGE) filed a Political Committee Registration (PDC form C-1pc). **(Exhibit 1)** On the registration form, the committee noted that its purpose was to oppose the expansion of legalized gambling, and that it would use the C-series of political committee reports in lieu of the Grass Roots Lobbying report (PDC form L-6).
- 4.2 Although the L-6 is the form usually filed by grassroots lobbying campaigns who do not intend to support or oppose candidates or ballot measures, the PDC has in the past allowed such campaigns to use the C-series of political committee forms to report their grassroots lobbying expenditures.

Issues of Direct Lobbying

- 4.3 In the course of this investigation, PDC staff has learned that CAGE has, in addition to conducting grassroots lobbying activity, sent letters to each member of the legislature and to Governor Locke opposing the expansion of legalized gambling. Such communications constitute direct lobbying, and would require CAGE to file a Lobbyist Registration (PDC form L-1), unless its lobbyists satisfy one of the exemptions contained in RCW 42.17.160, such as lobbying on a volunteer basis with no reimbursement for lobbying expenses.
- 4.4 On April 23, 2003, a letter was received from Phil Lloyd, treasurer for the CAGE. **(Exhibit 2)** The letter stated that none of the volunteers or staff of CAGE have been reimbursed or requested to be reimbursed for any lobbying expenses.

Issues of Grassroots Lobbying

- 4.5 On February 10, 2003, CAGE electronically filed a Summary, Full Report of Receipts and Expenditures (PDC form C-4), for activity occurring between January 1, 2003, and January 31, 2003. **(Exhibit 3)** The calendar month is the standard reporting period used by political committees; the fact that a C-4 report covers an entire calendar month does not necessarily indicate that reportable activity began on the first day of that month, or that the activity extended to the last day of that month.

The C-4 reported that the committee did not deposit any contributions or make any monetary expenditures during the period covered by the report. The report also showed that the committee incurred an \$11,538.75 obligation to Cocker Fennessy, a political consulting firm, on January 31, 2003.

- 4.6 On February 12, 2003, CAGE filed an amended C-1pc registration form. **(Exhibit 4)** The registration listed as co-chairs of the campaign former Washington Governor Booth Gardner and King County Prosecuting Attorney Norm Maleng.
- 4.7 On February 13, 2003, a complaint against CAGE was received from James Springer, Chairman of the Entertainment Industry Coalition. **(Exhibit 5)** The complaint alleged that CAGE was conducting an extensive lobbying and grassroots lobbying campaign in opposition to an expanded-gambling proposal being considered in the current legislative session. The complaint further alleged that CAGE violated RCW 42.17.040 by failing to timely register itself as a political committee and by failing to identify its principal officers, and violated RCW 42.17.080 and .090 by failing to timely report contributions and expenditures.

Registration of Anti-Gambling Expansion Web Site

- 4.8 Enclosed with Mr. Springer's complaint was a copy of the registration information for the Web domain name nomoregambling.org, and copies of pages printed from the site at this address. The registration information indicated that the site was reserved by Cocker Fennessy on December 3, 2002. The pages printed from the site identify Norm Maleng and Booth Gardner as CAGE's leaders, describe the campaign's opposition to the expansion of legalized gambling, and discuss its efforts to generate public opposition to this expansion. There was no indication of the date that these pages were printed from the site.

Mr. Springer alleged that the registration of this web domain name by Cocker Fennessy on December 3, 2002, and the pages printed from this site discussing CAGE, its members and goals together indicated that a grassroots lobbying

campaign was begun by CAGE on December 3, 2003. He further alleged that this would require CAGE to file a political committee registration within two weeks of this date, or by December 17, 2003. He alleged that CAGE's C-1pc report filed on February 5, 2003, was submitted more than two months after the campaign came into existence, and that it was deficient because it did not identify Norm Maleng and Booth Gardner as the principal officers of CAGE.

- 4.9 In his complaint, Mr. Springer referred to an op-ed piece by Norm Maleng and Booth Gardner published in the *Seattle Post-Intelligencer* on December 27, 2002, and to a story on CAGE published on February 12, 2003, in the *Seattle Times*. The story published in the *Times* referred to a letter sent by CAGE to every member of the legislature and Governor Gary Locke on January 10, 2003, and to a second letter sent by CAGE to 2,000 elected officials and community leaders on January 23, 2003. Mr. Springer alleged that the op-ed piece and the two mailings were further evidence that CAGE was conducting a grassroots lobbying campaign during December 2002 and January 2003 that was not timely registered with the PDC.
- 4.10 Mr. Springer's complaint referred to the C-4 report filed by CAGE on February 10, 2003, for the period of January 1, 2003, through January 31, 2003. Because the C-4 covered the month of January, 2003, but did not report the expense for the registration and development of the CAGE Web domain on December 3, 2002, Mr. Springer alleged that the C-4 was both untimely and incomplete. He alleged that a C-4 report disclosing this expenditure, or an estimated obligation to Cocker Fennessy for the expenditure, was due to be filed no later than January 10, 2003. Mr. Springer referred to the possibility that CAGE may have received undisclosed pledges to cover the costs of its obligation to Cocker Fennessy.

Relationship between CAGE and the Washington Indian Gaming Association

- 4.11 On March 3, 2003, a response to the complaint filed by Mr. Springer was received from Phil Lloyd. **(Exhibit 6)** In his response, Mr. Lloyd stated that CAGE's efforts to block the expansion of legalized gambling began as a grassroots lobbying campaign undertaken by the Washington Indian Gaming Association (WIGA) through its consulting firm, Cocker Fennessy. He stated that Cocker Fennessy organizes, on behalf of WIGA, civic and community leaders who are known to oppose generally the expansion of gambling, and that Norm Maleng and Booth Gardner were involved in Cocker Fennessy's efforts due to their positions on this issue. He stated that Norm Maleng had a long history of opposing gambling expansion, including co-chairing a campaign against a statewide initiative proposal to allow slot machines in tribal casinos in the mid-1990s.

He further stated that all of Cocker Fennessy's work involving Mr. Maleng and Mr. Gardner that occurred prior to January, 2003 was billed to WIGA, and that these expenses were reported by WIGA's lobbyist on his monthly Lobbyist Expense

Reports (PDC form L-2). The expenses incurred by Cocker Fennessy in December, 2002, and billed to WIGA included the \$35 registration fee for the Web domain nomoregambling.org on December 3, 2002.

- 4.12 On January 8, 2003, an L-2 report was filed by Joseph Beck, lobbyist for WIGA. **(Exhibit 7)** The report covered the period of December, 2002, and disclosed a payment of \$51,575.22 on behalf of WIGA to Cocker Fennessy for other lobbying expenses and services. The L-2 report was timely filed.

Formation of CAGE as an Independent Group

- 4.13 In his response to the complaint, Mr. Lloyd stated he was contacted by Norm Maleng in mid-January, 2003, regarding the possibility that Mr. Maleng and others involved in the anti-gambling expansion efforts being coordinated by Cocker Fennessy on behalf of WIGA might form a group independent of WIGA. He stated that the decision to make CAGE an independent group was made in mid-to-late January, at which point CAGE requested that Cocker Fennessy bill it for all work that was performed for the group or its principals in January, 2003. Mr. Lloyd stated that he submitted a C-1pc registration to the PDC for CAGE on February 5, 2003, and that the invoice for Cocker Fennessy's services during January was provided to CAGE on February 7, 2003.

Mr. Lloyd stated that Cocker Fennessy staff designed the CAGE Web site and wrote material for it in January, 2003. He stated that the site was transferred to a Web hosting firm on January 8, 2003, and was available for viewing by the public on January 10, 2003. He stated that the cost to CAGE for the development of this site was approximately \$870 of Cocker Fennessy staff time.

- 4.14 Mr. Lloyd stated that because grassroots lobbying expenses incurred by Cocker Fennessy had been, and would continue to be, billed to WIGA and reported to the PDC by WIGA's lobbyist, CAGE felt that it had no separate reporting requirement prior to becoming an independent group and incurring its own expenses and obligations.
- 4.15 Mr. Lloyd stated that the February 7, 2003, invoice provided to CAGE by Cocker Fennessy omitted charges of \$257.25 and \$3,702.39 for the January 23, 2003, letter mailed to local officials and community leaders. He stated that this omission was discovered during the course of his research into the complaint filed against CAGE, and that the campaign would amend its C-4 report for the month of January, 2003, to reflect this additional obligation to Cocker Fennessy.

- 4.16 On March 1, 2003, an amended C-4 report was filed by CAGE for the month of January, 2003. **(Exhibit 8)** The report disclosed a total of \$15,498.39 in

obligations to Cocker Fennessy, including a debt of \$3,959.64 with the description "Reimb. Mailing Expenses."

- 4.17 In his March 3, 2003, response to the complaint, Mr. Lloyd stated that CAGE had not received any pledges of contributions to cover the cost of the group's efforts.
- 4.18 On March 26, 2003, Phil Lloyd was interviewed under oath via telephone. He stated that all work for which CAGE was obligated to pay Cocker Fennessy occurred at the earliest in January, 2003. He further stated that no charges or obligations for work performed by Cocker Fennessy prior to January, 2003, had been transferred from WIGA to CAGE. He stated that development of the CAGE Web site was performed by Cocker Fennessy on January 8, 2003, and that work on the letter mailed by CAGE to local officials and community leaders was performed on this same day; he had no specific knowledge of work performed by Cocker Fennessy for CAGE, and subsequently billed to CAGE, occurring earlier than January 8, 2003.
- 4.19 At the time of the March 26, 2003, interview with Phil Lloyd, the most recent C-4 report filed by CAGE was a March 10, 2003, report covering the period of February 1, 2003, through February 28, 2003. **(Exhibit 9)** This C-4 reported that CAGE had received and deposited no monetary contributions as of the close of this period, and had also received no pledges of future contributions. In his interview, Mr. Lloyd stated under oath that no contributions or pledges of contributions had been received by CAGE as of February 28, 2003. He stated that a fundraising mailing was currently in preparation to solicit funds to cover the costs of CAGE's campaign, and that CAGE was seeking a way to cover postage for this mailing.
- 4.20 On April 1, 2003, the PDC obtained a copy of a letter dated March 27, 2003, and signed by Norm Maleng. **(Exhibit 10)** The letter solicited monetary support for CAGE, and asked the reader to contact members of the legislature to express opposition to the expansion of legalized gambling.
- 4.21 On March 28, 2003, PDC staff requested copies of all invoices provided to WIGA and CAGE by Cocker Fennessy for work performed in December, 2002, and January, 2003.
- 4.22 On April 4, 2003, the requested invoices were received from Cocker Fennessy. **(Exhibit 11)** The invoices were accompanied by a letter from Rick Cocker of Cocker Fennessy regarding various adjustments and clerical errors contained in the invoices, and the manner in which the clerical errors were corrected on revised invoices, also enclosed.
- 4.23 The letter from Rick Cocker stated that work on grassroots lobbying efforts to oppose gambling expansion, performed by his firm in December, 2002, and

January, 2003, and detailed on the enclosed invoices, would have been billed to WIGA exclusively, had the principal members of CAGE not decided in late January, 2003, to become an independent group. Mr. Cocker stated that when members of CAGE communicated to his firm in early February, 2003, that they were no longer operating under the auspices of WIGA, the firm examined its billing records for the month of January, 2003, and retroactively assigned to CAGE charges for all work performed with the campaign and its members during that month.

- 4.24 In his letter, Mr. Cocker stated that a clerical error on an invoice provided to WIGA on February 12, 2003, resulted in a vendor expense being billed to WIGA that should have been billed to CAGE. He stated that a revised invoice deleting this charge was issued to WIGA on February 19, 2003.
- 4.25 On the invoice to WIGA issued by Cocker Fennessy on February 12, 2003, for work performed during January, 2003, there is a \$1,689.79 vendor charge to Direct Mailing Solutions, Inc., under the heading "Subcontractor." This charge is deleted from the revised invoice provided to WIGA on February 19, 2003, and appears on the invoice provided to CAGE on March 12, 2003, under the heading "Subcontractor."

The total charge under this heading on the March 12, 2003, invoice to CAGE is \$3,702.39. This charge corresponds to the \$3,702.39 charge referred to by Phil Lloyd in his March 3, 2003, response to the complaint, which he described as having been omitted from the February 7, 2003, invoice provided to CAGE, and which was included on an amended report of CAGE's obligations to Cocker Fennessy filed on March 1, 2003.

- 4.26 An invoice provided by Cocker Fennessy to WIGA on January 9, 2003, for work performed from December 1, 2002, through December 31, 2002, included a reduction in charges to the client totaling \$12,913.63. A revised invoice for this same billing period provided to WIGA on February 7, 2003, assigned this reduction of \$12,913.63 to various areas of activity, including a reduction of \$2,427.50 under the activity heading "Anti-gambling expansion coalition." The reduction of \$2,427.50 represented a 100% reduction of the charges invoiced to WIGA for services listed under this heading; the final charge to WIGA represented on the invoice for these services was zero.

Mr. Cocker stated in the letter accompanying this invoice that his firm reduces charges to clients as a routine business practice, and represents these reductions on invoices under headings for specific activity. He stated that the \$2,427.50 reduction under the heading "Anti-gambling expansion coalition" on the revised invoice provided to WIGA on February 7, 2003, was not subsequently billed to CAGE; the reduction of \$2,427.50 simply reduced the overall amount charged to WIGA.

Mr. Cocker further stated that when work was performed for WIGA in December, 2002, the name "CAGE" had not yet been coined. The name "CAGE" appeared on items included in the invoice for December, 2002, activity that was prepared and submitted to WIGA on January 9, 2003, because the name was in use by this date.

4.27 On April 8, 2003, the PDC received, from Cocker Fennessy, copies of the letter sent by CAGE to members of the legislature on January 10, 2003, the letter sent to community leaders and elected officials sent on January 23, 2003, and the letter sent to Governor Locke on January 21, 2003. **(Exhibit 12)** The news story referred to by Mr. Springer in his complaint, published on February 12, 2003, in the *Seattle Times*, stated that the letter to Governor Locke had been sent on January 10, 2003; however, the copy of this letter provided by Cocker Fennessy indicated that it was sent eleven days later than this date.

4.28 On April 9, 2003, Rick Cocker was interviewed under oath via telephone. He stated that the name "Citizens Against Gambling Expansion" was first coined when it was placed on letterhead.

He further stated that the \$12,913.63 reduction made to charges billed to WIGA on the invoice dated January 9, 2003, and broken down into areas of activity on the revised invoice dated February 7, 2003, was made based on considerations of the fair market value of services performed for the client. He stated that these reductions were made in instances when his firm felt that a client should not be billed for staff hours for which they saw no benefit, or for which they saw a benefit in reduced proportion to the hours incurred. He stated that as a small business owner, he was compelled to charge his clients only for hours or services that provided value to them. He stated that five out of six invoices provided to WIGA for work performed prior to December, 2002, had been reduced in this fashion, and that these reductions ranged in amount from \$5,000 to \$20,000. He stated that the \$12,913.63 reduction to charges to WIGA for December, 2002, was consistent with his firm's billing practices.

Mr. Cocker stated that this \$12,913.63 reduction to WIGA's charges was first decided prior to the emergence of CAGE as a separate group, and prior to his understanding that CAGE would be billed for any of his firm's services. He stated that on February 7, 2003, the date that this \$12,913.63 reduction was broken down into areas of activity for the revised December, 2002, invoice provided to WIGA, he knew that Norm Maleng wanted CAGE to be obligated for Cocker Fennessy's work with the campaign in January, 2003. Given this, and given the fact that he had a \$12,913.63 reduction to apply to WIGA's charges for work performed in December, 2002, Mr. Cocker stated that he arbitrarily reduced charges to WIGA for services listed under the heading "Anti-gambling expansion coalition" by \$2,427.50. However, he stated that this 100% reduction did not indicate that

WIGA received those services for free; rather, the reduction represented an attempt to bring the total charges billed to WIGA during that period in line with the fair market value of the firm's services. He stated that it is Cocker Fennessy's practice to arbitrarily assign reductions to areas of activity, and that only the total amount of the reduction to a particular invoice is actually meaningful.

Mr. Cocker stated that the invoice provided to CAGE on February 7, 2003, represented services that were not performed earlier than January, 2003. He further stated that these services were distinct from the services listed under the heading "Anti-gambling expansion coalition" on the January 9, 2003 invoice to WIGA for work performed in December, 2002.

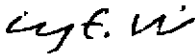
- 4.29 On April 10, 2003, CAGE filed a C-4 report for activity occurring between March 1, 2003, and March 31, 2003. **(Exhibit 13)** The report disclosed that CAGE had incurred obligations totaling \$45,653.94 as of the end of that reporting period, and had not received any contributions or pledges of future contributions.
- 4.30 On April 23, 2003, the PDC received a letter from Rick Cocker. **(Exhibit 14)** In his letter, Mr. Cocker stated that beginning on January 2, 2003, his firm began work that was subsequently billed to the group that evolved into CAGE. He stated that this early work involved drafting letters and other written materials, research, and collecting addresses. He further stated that the letterhead on which the name "Citizens Against Gambling Expansion" was first used was created by Cocker Fennessy staff on January 7, 2003.
- 4.31 Mr. Cocker stated that his firm has an oral agreement that CAGE will be charged for services and expenses. He stated that it is not unusual for his firm to undertake assignments without a written contract, or for payment to lag behind invoices by several months. He stated that Cocker Fennessy expects to be paid in full for the services provided to CAGE.
- 4.32 Staff found that the although Cocker Fennessy performed administrative consulting work beginning on January 2, 2003, for the group that would evolve into CAGE, and that this work was subsequently obligated to CAGE, this work would not have been performed at that time had Cocker Fennessy not had the expectation of being paid by WIGA for its work.

Staff found that the earliest point at which CAGE incurred any obligation or expense for separate grassroots lobbying activity billable only to CAGE was on January 7, 2003, the date on which the name CAGE was printed to letterhead by Cocker Fennessy staff. Staff found no evidence that CAGE reached the threshold of \$500 in reportable grassroots lobbying expenditures in a one-month period at any date earlier than January 8, 2003, the date when Cocker Fennessy staff began development of the CAGE Web site.

Staff found that CAGE filed a C-1pc registration form on February 5, 2003, 28 days after it reached the threshold for reportable grassroots lobbying expenses. CAGE filed a C-4 report of expenses and obligations on February 10, 2003, 33 days after reaching the threshold for reportable grassroots lobbying expenses. CAGE amended its C-1pc filing to list Norm Maleng and Booth Gardner as its principal officers on February 12, 2003, 35 days after reaching the reporting threshold.

- 4.33 Through its treasurer, Phil Lloyd, CAGE fully cooperated with PDC staff during the investigation of this complaint.

Respectfully submitted this 24th day of April, 2003.



Tony Perkins
Political Finance Specialist

EXHIBIT LIST

- Exhibit 1** C-1pc registration filed by CAGE on February 5, 2003.
- Exhibit 2** Statement from CAGE treasurer Phil Lloyd, received on April 23, 2003.
- Exhibit 3** C-4 report filed by CAGE on February 10, 2003, for the period of January 1, 2003, through January 31, 2003.
- Exhibit 4** Amended C-1pc registration filed by CAGE on February 12, 2003.
- Exhibit 5** Complaint letter filed against CAGE by James Springer, received on February 13, 2003.
- Exhibit 6** Response to the complaint filed by James Springer, received from Phil Lloyd on March 3, 2003.
- Exhibit 7** L-2 report filed by Joe Beck on behalf of WIGA on January 8, 2003, for the month of December, 2002.
- Exhibit 8** Amended C-4 report filed by CAGE on March 1, 2003, for the period of January 1, 2003, through January 31, 2003.
- Exhibit 9** C-4 report filed by CAGE on March 10, 2003, for the period of February 1, 2003, through February 28, 2003.
- Exhibit 10** Copy of a fundraising letter for CAGE, dated March 27, 2003, and signed by Norm Maleng.
- Exhibit 11** Copies of invoices detailing work performed by Cocker Fennessy for its clients CAGE and WIGA during December, 2002, and January, 2003, provided by Rick Cocker on April 4, 2003.
- Exhibit 12** Copies of letters sent by CAGE to members of the legislature on January 10, 2003, to community leaders and elected officials sent on January 23, 2003, and to Governor Locke on January 21, 2003, provided by Cocker Fennessy on April 8, 2003.
- Exhibit 13** C-4 report filed by CAGE on April 10, 2003, for the period of March 1, 2003, through March 31, 2003.
- Exhibit 14** Letter from Rick Cocker, received via email on April 23, 2003.



Political Committee Registration

C1PC
(5/01)

DATE FILED PDC
FEB 05 2003

| | | | |
|---|-----------------------|-------------------------|--|
| Committee Name (Show entire official name.) Citizens Against Gambling Expansion | | | Acronym: |
| Mailing Address PO Box Box 4116 | | | Telephone: (206) 517-2623 |
| City Seattle | County King | Zip + 4 98104 | Fax: |
| | | | E-mail: contact@nomoregambling.org |

NEW OR AMENDED REGISTRATION?

- ☒ **NEW.** Complete entire form.
☐ **AMENDS** previous report. Complete entire form.

COMMITTEE STATUS

- ☒ **Continuing** (On-going; not established in anticipation of any particular campaign election.)
☐ **election year only.** Date of general or special election: _____
(Year)

1. What is the purpose or description of the committee?

- ☐ **Bona Fide Political Party Committee** - official state or county central committee or legislative district committee. If you are not supporting the entire party ticket, attach a list or specify here the names of the candidates you support _____

- ☐ **Ballot Committee** - Initiative, Bond, Levy, Recall, etc. Name or description of ballot measure: _____

Ballot Number FOR AGAINST
☐ ☐

- ☒ **Other Political Committee** - PAC, caucus committee, political club, etc. If committee is related or affiliated with a business, association, union or similar entity, specify name: **Opposing expansion of legalized gambling (in lieu of L6 reporting).**

For single election-year only committees (not continuing committees): Is the committee supporting or opposing

(a) one or more candidates? ☐ Yes ☐ No If yes, attach a list of each candidate's name, office sought and political party affiliation.

(b) the entire ticket of a political party? ☐ Yes ☒ No If yes, identify the party: _____

2. Related or affiliated committees. List name, address and relationship.

☐ Continued on attached sheet

3. How much do you plan to spend during this entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. (If your committee status is continuing, estimate spending on a calendar year basis.)

If no box is checked you are obligated to use Full Reporting. See instruction manuals for information about reports required and changing reporting options.

☐ MINI REPORTING

Mini Reporting is selected. No more than \$3,500 will be raised or spent and no more than \$300 in the aggregate will be accepted from any one contributor.

☒ FULL REPORTING

Full Reporting is selected. The frequent, detailed campaign reports mandated by law will be filed as required.

4. Campaign Manager's or Media Contact's Name and Address

TBD

Telephone Number:

(206) 517-2623

5. Treasurer's Name and Address (List deputy treasurers on attached sheet.)

☐ Continued on attached sheet

Philip Lloyd

PO Box 4116

Seattle, WA 98104

Daytime Telephone Number:

(206) 932-8878

6. Committee Officers. List name, title, and address. Continue on attached sheet if necessary. See reverse for definition of "officer."

☐ Continued on attached sheet

7. Campaign Bank or Depository

Bank of America

Branch

Metro CASC

City

Seattle

8. Campaign books must be open to the public, except on a weekend or legal holiday, during the eight days before the election: (a) on the eighth day for two consecutive hours between 8 a.m. and 8 p.m.; if the eighth day is a legal holiday - two consecutive hours on the seventh day between 8 a.m. and 8 p.m.; and (b) on the other weekdays by appointment between 8 a.m. and 8 p.m. Specify location and hours below. It is not acceptable to provide a post office box or an out-of-area address.

Street Address, Room Number, City

5236 36th Ave. SW Seattle

Hours [Two consecutive hours; see 8(a)]

10:00AM - Noon

In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (206) 255-3367

9. Eligibility to Give to State Office Candidates: During the 180 days prior to making a contribution to a state office candidate, your committee must have received contributions of \$10 or more from at least ten persons registered to vote in Washington State.

- ☒ A check here indicates your awareness of and pledge to comply with this provision. Absence of a check mark means your committee does not qualify to give to state office candidates (legislative and statewide executive candidates).

10. Signature and Certification. I certify that this statement is true, complete and correct to the best of my knowledge.

Committee Treasurer's Signature

Date

[Signature] 2-5-03

Need campaign finance forms and instructions?

Please check one of the following boxes.

☒ I already have forms and instructions.

☐ I will get forms and instructions from my county elections office.

☐ I want the Public Disclosure Commission to mail me the proper forms and instructions.

Distribution of This Report:

ORIGINAL - Public Disclosure Commission

COPY - County Elections Office (Auditor)

COPY - Your own records

SEE INSTRUCTIONS ON REVERSE

EXHIBIT

1 of 1

Citizens Against Gambling Expansion
PO Box 4116
Seattle, WA 98104

RECEIVED

APR 23 2003

Public Disclosure Commission

April 23, 2003

VIA FAX: 360-753-1112

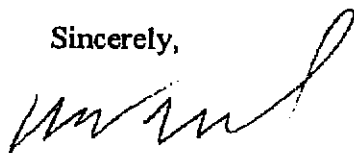
Mr. Tony Perkins
Public Disclosure Commission
PO Box 40908
Olympia, WA 98504

Dear Mr. Perkins:

In response to our telephone conversation earlier today, there have been no lobbying expenses reimbursed or requested to be reimbursed by any staff or volunteers of CAGE other than those expenses invoiced by Cocker Fennessey to CAGE.

I hope that this adequately answers your question. Please contact me if I can be of further assistance.

Sincerely,



Philip E. Lloyd
Treasurer

EXHIBIT 2

1 of 1



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4
(3/97)

POC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

CIT AGAINST GAMBLING EXPANSION

02/10/2003

Mailing Address

PO BOX 4116

City

SEATTLE

Zip + 4
981044416

Office Sought (Candidates)

2003

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

| Report Period Covered | From (last C-4) | To (end of period) | Final Report? |
|-----------------------|-----------------|--------------------|---------------|
| | 01/01/2003 | 01/31/2003 | Yes No X |

RECEIPTS

* See next page

Yes

No

X

- Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) \$ 0.00
- Cash received (From line 2, Schedule A) \$ 0.00
- In kind contributions received (From line 1, Schedule B) 0.00
- Total cash and in kind contributions received this period (Line 2 plus 3) 0.00
- Loan principal repayments made (From line 2, Schedule L) (0.00)
- Corrections (From line 1 or 3, Schedule C) Show + or (-) + 0.00
- Net adjustments this period (Combine line 5 & 6) Show + or (-) + 0.00
- Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 0.00
- Total pledge payments due (From line 2, Schedule B) 0.00

EXPENDITURES

- Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) 0.00
- Total cash expenditures (From line 4, Schedule A) 0.00
- In kind expenditures (goods & services) (From line 1, Schedule B) 0.00
- Total cash and in kind expenditures made this period (Line 11 plus line 12) 0.00
- Loan principal repayments made (From line 2, Schedule L) (0.00)
- Corrections (From line 2 or 3, Schedule C) Show + or (-) + 0.00
- Net adjustments this period (Combine lines 14 & 15) Show + or (-) + 0.00
- Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 0.00

CANDIDATES ONLY

| | Won | Lost | Unopposed | Name not on ballot |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Treasurer's Daytime Telephone No.:

(206) 932-8878

CASH SUMMARY

- Cash on hand (Line 8 minus line 17) 0.00
(Line 18 should equal your bank account balance(s) plus your petty cash balance.)
- Liabilities: (Sum of loans and debts owed) (11,538.75)
- Balance (Surplus or deficit) (Line 18 minus line 19) -11,538.75

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

LLOYD PHILIP

Date

01/08/2003

EXHIBIT 3

1 of 2

**IN KIND CONTRIBUTIONS, PLEDGES,
ORDERS, DEBTS, OBLIGATIONS**

**SCHEDULE
TO C4**

B

(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

CIT AGAINST GAMBLING EXPANSION

02/10/2003

3. **ORDERS PLACED, DEBTS, OBLIGATIONS.** (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

| Expenditure Date | Vendor's/Recipient's Name and Address | Amount Owed | Code OR | Description of Obligation |
|-------------------------------------|---|-------------|---------|--------------------------------|
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 11,538.75 | M | CONSULTING/REIMB. EXPE NSES |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL (Include in line 19 of C4) | | 11,538.75 | | |

EXHIBIT 3

2 of 2



711 CAPITOL WAY RM 205
PO BOX 40988
OLYMPIA WA 98504-0988
(360) 753-1111
Toll Free 1-877-401-2828

Political Committee Registration

C1PC
(5/01)

DATE FILED PDC
FEB 12 2003

| | | | |
|---|-----------------------|-------------------------|--|
| Committee Name (Show entire official name.) Citizens Against Gambling Expansion | | | Acronym: |
| Mailing Address PO Box Box 4116 | | | Telephone: (206) 517-2623 |
| City Seattle | County King | Zip + 4 98104 | Fax: |
| | | | E-mail: contact@nomoregambling.org |

NEW OR AMENDED REGISTRATION?

- ☐ NEW. Complete entire form.
☒ AMENDS previous report. Complete entire form.

COMMITTEE STATUS

- ☒ Continuing (On-going; not established in anticipation of any particular campaign election.)
☐ election year only. Date of general or special election: _____
(Year)

1. What is the purpose or description of the committee?

- ☐ **Bona Fide Political Party Committee** - official state or county central committee or legislative district committee. If you are not supporting the entire party ticket, attach a list or specify here the names of the candidates you support _____

- ☐ **Ballot Committee** - Initiative, Bond, Levy, Recall, etc. Name or description of ballot measures: _____

Ballot Number FOR AGAINST
☐ ☐

- ☒ **Other Political Committee** - PAC, caucus committee, political club, etc. If committee is related or affiliated with a business, association, union or similar entity, specify name: **Opposing expansion of legalized gambling (in lieu of L6 reporting).**

For single election-year only committees (not continuing committees): Is the committee supporting or opposing (a) one or more candidates? ☐ Yes ☐ No If yes, attach a list of each candidate's name, office sought and political party affiliation.

(b) the entire ticket of a political party? ☐ Yes ☒ No If yes, identify the party: _____

2. Related or affiliated committees. List name, address and relationship.

☐ Continued on attached sheet

3. How much do you plan to spend during this entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. (If your committee status is continuing, estimate spending on a calendar year basis.)

If no box is checked you are obligated to use Full Reporting. See instruction manuals for information about reports required and changing reporting options.

☐ MINI REPORTING

Mini Reporting is selected. No more than \$3,500 will be raised or spent and no more than \$300 in the aggregate will be accepted from any one contributor.

☒ FULL REPORTING

Full Reporting is selected. The frequent, detailed campaign reports mandated by law will be filed as required.

4. Campaign Manager's or Media Contact's Name and Address

TBD

Telephone Number:

(206) 517-2623

5. Treasurer's Name and Address (List deputy treasurers on attached sheet.)

☐ Continued on attached sheet

Philip Lloyd

PO Box 4116

Seattle, WA 98104

Daytime Telephone Number:

(206) 932-8878

6. Committee Officers. List name, title, and address. Continue on attached sheet if necessary. See reverse for definition of "officer."

☐ Continued on attached sheet

Hon. Norm Maleng Co-Chair PO Box 4116 Seattle, WA 98104

Hon. Booth Gardner Co-Chair PO Box 4116 Seattle, WA 98104

7. Campaign Bank or Depository

Bank of America

Branch

Metro CASC

City

Seattle

8. Campaign books must be open to the public, except on a weekend or legal holiday, during the eight days before the election: (a) on the eighth day for two consecutive hours between 8 a.m. and 8 p.m.; if the eighth day is a legal holiday - two consecutive hours on the seventh day between 8 a.m. and 8 p.m.; and (b) on the other weekdays by appointment between 8 a.m. and 8 p.m. Specify location and hours below. It is not acceptable to provide a post office box or an out-of-area address.

Street Address, Room Number, City

5236 36th Ave. SW Seattle

Hours (Two consecutive hours, see 8(a))
10:00AM - Noon

In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (206) 255-3367

9. Eligibility to Give to State Office Candidates: During the 180 days prior to making a contribution to a state office candidate, your committee must have received contributions of \$10 or more from at least ten persons registered to vote in Washington State.

- ☒ A check here indicates your awareness of and pledge to comply with this provision. Absence of a check mark means your committee does not qualify to give to state office candidates (legislative and statewide executive candidates).

10. Signature and Certification. I certify that this statement is true, complete and correct to the best of my knowledge.

Committee Treasurer's Signature

Date

[Signature]

2/4/03

Need campaign finance forms and instructions?

Please check one of the following boxes.

- ☒ I already have forms and instructions.
☐ I will get forms and instructions from my county elections office.

☐ I want the Public Disclosure Commission to mail me the proper forms and instructions.

Distribution of This Report:

ORIGINAL - Public Disclosure Commission
COPY - County Elections Office (Auditor)
COPY - Your own records

SEE INSTRUCTIONS ON REVERSE

EXHIBIT 4
1 of 1

RECEIVED

FEB 13 2003

Public Disclosure Commission

February 13, 2003

Ms. Susan Harris
Public Disclosure Commission
711 Capitol Way #206
PO Box 40908
Olympia, WA 98504-0908

Re: Complaint against Citizens Against Gambling Expansion

Dear Ms. Harris:

I believe the Citizens Against Gambling Expansion ("CAGE") has committed multiple violations of Washington's campaign finance and disclosures laws, and make a complaint against the organization, its treasurer, Phillip Lloyd, and the still unidentified manager of the political committee.

CAGE has undertaken substantial lobbying and grassroots lobbying activities in Washington

CAGE and its leaders have undertaken substantial activity in Washington, relating directly to matters under consideration by the legislature this session. The CAGE website was registered on December 3, 2002.¹ A copy of the registration statement is enclosed as Exhibit 1. CAGE's website includes the following statements,

"CAGE is working hard to prevent the passage of legislation ..."

"CAGE will continue recruiting members who will stand with us ..."

"We will contact the Governor, legislators and other influential leaders to convince them ..."

CAGE has clearly engaged in lobbying and grassroots lobbying since December. Copies of pages from the website are attached as Exhibit 2.

On December 27, Booth Gardner and Norm Maleng, identified by CAGE as its leaders, published an op-ed piece in the Seattle Post-Intelligencer. Exhibit 3. The December op-ed piece includes the following

¹ The registrant of the CAGE website is the same public relations firm representing the Washington Coalition for Tribal Self Reliance ("WCTSR"). The same firm registered the website for WCTSR on September 27, 2002.

Imagine an explosion of flashing neon signs beckoning from all corners to strike it rich at "casinos" inside bowling alleys, restaurants, taverns, card rooms, horse race tracks and bingo halls.

The language of the December op-ed is nearly identical to the CAGE website

Imagine an explosion of flashing neon signs beckoning from all corners to strike it rich at "casinos" or "keno booths" inside restaurants, bars, taverns, bowling alleys, card rooms, horse tracks and bingo halls.

CAGE has sent at least two letters advocating political action, and seeking to enlist elected officials and others to oppose allowing non-tribal operation of video slot machines and other games currently monopolized by tribal casinos. I have enclosed, as Exhibit 4, a copy of a news story from the Seattle Times reporting on two mailings by CAGE. According to the February 12, 2003 article, CAGE sent the first letter, dated January 10, 2003 to "every member of the Legislature and to Gov. Locke." The article further discloses that "A second letter mailed Jan. 23 to 2,000 elected officials and community leaders urged them to join the fight."

CAGE failed to disclose its existence as the disclosure laws require

CAGE filed its C-1 statement of organization on February 5, 2003. Under RCW 42.17.040(1), a political committee must register with the Public Disclosure Commission by the earlier of two weeks after its organization or making expenditures or contributions. CAGE's website, www.nomoregambling.org was registered on December 3, 2002. This is more than two months before CAGE disclosed its existence.

Despite having been filed more than two months after CAGE began, CAGE's C-1 is deficient. The committee states that it is "led" by Norm Maleng and Booth Gardner as its leaders, but neither is shown on the C-1 filed with the Commission.

CAGE has failed to disclose its expenditures and contributions

CAGE did not file a report showing expenditures or contributions for December 2002. A report for December 2002 would have been due on January 10, 2003. At the very least the report should have shown the expenditures related to registration of the domain name and work related to preparation of the website. Under RCW 42.17.020(19), agreements to make expenditures are reportable as estimates, until the final amount is determined. If the agreement to register the domain name was made in November, the first report by CAGE would have been due on December 10.

It also appears CAGE has not accurately reported its expenditures. The C-4, filed this week shows over \$11,000 owed to Cocker Fennessy. The report shows a January 31, 2003 date for the expenditure. However, the domain registration shows that Cocker Fennessy began work no later than early December, long before the reported date. The failure to file report of the December expenditures violates RCW 42.17.080. The inaccurate reporting of the date of the expenditure to Cocker Fennessy violates RCW 42.17.090.

CAGE's activities are directed toward matters presently before the legislature. The significant lag between CAGE's commencement of its lobbying effort in December and its disclosure to the public has prevented both elected officials and the public at-large from knowing who is the sponsor of the lobbying. The large expenditure, without any disclosed contributions, leaves the question whether there are undisclosed guarantees to pay the bills.

Very truly yours,

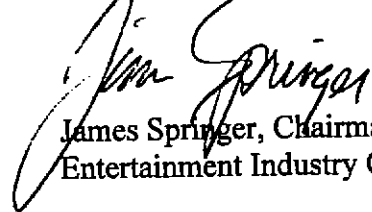
 By LF
James Springer, Chairman
Entertainment Industry Coalition

Exhibit 1

Domain Registration

WHOIS Search Results

WHOIS Record for

nomoregambling.org

[Back-order this
name](#)

[Make an unsolicited
offer](#)

Registrant:

Cocker Fennessy (IGARAZACWD)
Suite 501
SEATTLE, WA 98104
US

Domain Name: NOMOREGAMBLING.ORG

Administrative Contact, Technical Contact:

Cocker Fennessy (WYDTMJNHWO)
Cocker Fennessy
Suite 501
SEATTLE, WA 98104
US
(206) 652-9506

kevin@cofen.com

Record expires on 03-Dec-2003.

Record created on 03-Dec-2002.

Database last updated on 12-Feb-2003 14:31:45 EST.

Domain servers in listed order:

| | |
|------------------|-----------------|
| NS1.HOSTSAVE.COM | 207.150.196.199 |
| NS2.HOSTSAVE.COM | 207.150.197.103 |

SEARCH AGAIN

Web site hosting Special Offer

NOTICE AND TERMS OF USE: You are not authorized to access or query our WHOIS database through the use of high-volume, automated, electronic processes. The Data in Network Solutions' WHOIS database is provided by Network Solutions for information purposes only, and to assist persons in obtaining information about or related to a domain name registration record. Network Solutions does not guarantee its accuracy. By submitting a WHOIS query, you agree to abide by the following terms of use: You agree that you may use this Data only for lawful purposes and that under no circumstances will you use this Data to: (1) allow, enable, or otherwise support the transmission of mass unsolicited, commercial advertising or solicitations via e-mail, telephone, or facsimile; or (2) enable high volume, automated, electronic processes that apply to Network Solutions (or its computer systems). The compilation, repackaging, dissemination or other use of this Data is expressly prohibited without the prior written consent of Network Solutions. You agree not to use high-volume, automated, electronic processes to access or query the WHOIS database. Network Solutions reserves the right to terminate your access to the WHOIS database in its sole discretion, including without limitation, for excessive querying of the WHOIS database or for failure to otherwise abide by this policy. Network Solutions reserves the right to modify these terms at any time.

Transfer
domain
for c

\$1

a year

includes 1 year

EXHIBIT ⁵

5 of 18

Exhibit 2

CAGE Website pages



WHO:

Citizens Against Gambling Expansion (CAGE) is a group of concerned Washingtonians who oppose any further expansion of gambling in our state. CAGE is led by former Governor Booth Gardner and King County Prosecuting Attorney Norm Maleng.

We are not alone! The Washington Association of Sheriffs and Police Chiefs opposes expanded gambling, as does the Washington Association of Prosecuting Attorneys. In addition, the Seattle Post-Intelligencer, The Seattle Times, The Spokesman-Review, The News Tribune, The Olympian and the Walla Walla Union-Bulletin have editorialized against expanded gambling.

WHAT:

CAGE is working hard to prevent the passage of legislation that would dramatically expand gambling and turn Washington into the gambling capital of the Northwest.

WHY:

Imagine an explosion of flashing neon signs beckoning from all corners to strike it rich at "casinos" or "keno booths" inside restaurants, bars, taverns, bowling alleys, card rooms, horse tracks and bingo halls. We hardly think this kind of convenience gambling is consistent with the vision most citizens have of our state's future, but it is exactly what would happen.

To learn more, read Booth Gardner and Norm Maleng's opinion piece in the Seattle Post-Intelligencer and their opinion piece for The News Tribune.

HOW:

CAGE will continue recruiting members who will stand with us in opposition to expanded gambling in Washington. We will contact the Governor, legislators and other influential leaders to convince them that expanded gambling is a bad idea for Washington.

HELP:

By lending your voice, you can help us stop gambling expansion and preserve the high quality of life in our state. To join CAGE, [click here](#) to fill out our membership form.

If you would like more information, please e-mail us or contact us at the address or phone numbers below.

[| Home |](#) [About CAGE |](#) [Membership Form |](#)

EXHIBIT ⁵
7 of 18

Citizens Against Gambling Expansion
P.O. Box 4116

Seattle, WA 98104

Phone: (206) 517-2623

Toll-free: (877) 202-7028

E-mail: contact@nomoregambling.org

EXHIBIT ⁵

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Washington's quality of life is at stake.

Gambling proponents, including some state elected officials, want to flood the state with thousands of video slots to be installed in restaurants, bars, taverns, card rooms, bowling alleys, bingo halls and horse tracks. Some are also calling for five-minute keno game booths. They're telling legislators it will bring in millions of tax dollars to the state, but what they're not telling them is what it will cost to get that revenue.

Gambling doesn't create a dime of new revenue.

It takes away revenue from local businesses, and in severe cases, robs families of basic needs.

Most citizens don't want more gambling.

Voters have twice overwhelmingly rejected statewide gambling initiatives during the past 10 years. In addition, more than 50 local jurisdictions have banned or restricted gambling activities.

Social problems will increase.

More than 250,000 adults in our state have had gambling problems sometime during their lives. The costs associated with problem gambling, including job loss, public assistance, domestic violence and criminal justice, will only increase as gambling is expanded.

Interested in joining CAGE? [Click here](#) to fill out a membership form.

Want more information, including the who, what, why and how? [Click here](#) to learn more about Citizens Against Gambling Expansion.

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Seattle, WA 98104

Phone: (206) 517-2623
Toll-free: (877) 202-7028

E-mail: contact@nomoregambling.org

EXHIBIT 5

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Exhibit 3

December 27, 2003
Op-ed



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OPINION

Friday, December 27, 2002

Gambling: Stand against gambling expansion

By BOOTH GARDNER AND NORM MALENG
GUEST COLUMNISTS

Gambling proponents are at it again, and if they get their way in the Legislature, our state soon will be flooded with video slot machines and five-minute Keno game booths. We urge citizens to join us in standing up against any further expansion of gambling.

Imagine an explosion of flashing neon signs beckoning from all corners to strike it rich at "casinos" inside bowling alleys, restaurants, taverns, card rooms, horse race tracks and bingo halls.

Card room operators are urging legislators to allow 18,900 video slot machines at commercial establishments throughout the state. Video slots are gambling's most sinister and seductive devices. They are fast-action machines that hypnotically draw in players and can deplete their bank accounts.

An even worse idea, this one advanced by some state officials, is for the state to get directly into the video slot machine business. In that scenario, state government would buy the machines and license them to operators. They're also talking about allowing Keno booths where players would loiter about while waiting for "winning" numbers in five-minute intervals.

We hardly think this kind of convenience gambling is consistent with the vision most citizens have of our state's future, but it is exactly what would happen.

Gambling already has grown over the past 15 years to become a \$1.5 billion industry in Washington. Everyone has a piece of the action. The state has its Lottery games; the tribes have casinos on reservations; non-profits have bingo games and raffles and for-profit operators have card rooms, pull tabs and punch boards.

Card room operators say they just want a level playing field with the tribal casinos and cynically are using some non-profit bingo operators and restaurants to front for them. The card rooms bankrolling the expansion campaign are not mom and pop operations. They are big-time operators, including out-of-state interests and publicly traded companies.

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Aid to Afghanistan should be a priority

Decide on City Light's Gary Zarker now

Another unconstitutional initiative squandered taxpayers' dollars

We are becoming a closed society

French and German challenge puzzling

I-776 ruling offers a valuable lesson

Things looking up for Sound Transit

Budget has little foreign policy content but immense implications

Martial rhetoric but few calls for sacrifice

Being orange is no reason to be blue

Overweight a sign of abundance? Hardly

EXHIBIT 5

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They aren't looking to compete with tribes or help non-profits and restaurants. They want to dramatically expand, and then dominate, gambling in Washington.

Most citizens do not want any further expansion of gambling. Voters have twice overwhelmingly rejected statewide gambling initiatives during the past 10 years. Every public opinion survey shows voters think we have enough gambling. More than 50 cities and counties have banned or restricted gambling activities in their jurisdictions. Many of the jurisdictions that permitted card rooms now regret it and find it's impossible to put the genie back in the bottle.

So why would legislators even give the time of day to proponents of expanded gambling? Because some see it as an easy fix to part of the state's revenue shortfall.

Well, expanded gambling is not an easy fix. More gambling to fund government is a gimmick that comes with a high cost and a lot of consequences.

Gambling does not create new spending and the amount of new taxes it brings in is questionable. Gambling robs income from legitimate businesses and reduces the taxes they would otherwise pay. Money spent on gambling is money not spent at movie theaters, on travel, to attend professional sporting events and concerts or for dinners out. Gambling preys on the poor. Wishful thinking leads otherwise rational people to roll the dice with money they desperately need for rent, food, health care and electricity.

How much new tax revenue is really created by gambling when spending is diverted away from new home and car purchases and from shopping trips for school clothes? Who is called upon to help the poor when their rent, food and electricity money is wagered away?

Is it fiscally prudent for the state to become dependent upon volatile gambling revenue to fund basic government services? How much will the increased costs of law enforcement and regulation be? Will the state override the gambling bans and restrictions enacted by local jurisdictions?


Does more gambling encourage or discourage companies that are looking to expand or locate here? Does gambling send a positive or negative message to our youth?

More than 250,000 adults in Washington have had gambling problems sometime during their lives. The costs associated with problem gambling -- job loss, public assistance, physical and mental health problems, domestic violence, substance abuse and criminal justice {minus} are \$5 billion nationally, according to studies.

Allowing expanded gambling in Washington is a terrible public policy idea. We hope citizens will join with us and send a strong message to legislators. Just say no to expanded gambling!

Booth Gardner is a former governor of Washington. **Norm Maleng** is King County prosecutor.

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Exhibit 4

Seattle Times story
February 12, 2003

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Local News: Wednesday, February 12, 2003

Powerful names rise up against pro-gambling bill

By Lynda V. Mapes
Seattle Times staff reporter

Warning that Washington could become the next Nevada, a who's who of local politicians, including five former governors, has united to fight a proposal to expand electronic slot-machine gambling statewide.

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Calling itself Citizens Against Gambling Expansion, the political-action committee is racing to block legislation that would allow thousands of electronic slot machines to be placed in bars, bowling alleys, restaurants and mini-casinos across the state.

If approved, the proposed bill promises to generate more than \$250 million yearly in state and local gambling taxes — tempting bait for lawmakers facing a \$2.4 billion budget shortfall.

Not only does it oppose the bill — to be introduced this week by state Rep. Bill Grant, D-Walla Walla — but Citizens Against Gambling Expansion vows to stop any growth in the gambling industry, whether it comes from state, tribal or for-profit operators, said former Gov. Booth Gardner.

"We are doing it because we don't want to see gambling expanded by anybody ... and we feel for the state to raise money in that fashion is shortsighted. The consequences downstream outweigh any benefit," Gardner said.

Gardner and King County Prosecutor Norm Maleng are co-chairmen of the new group. Lending support is a curious collection of political heavyweights, including a couple of longtime foes.

Former Governor Mike Lowry has signed on, as has his one-time gubernatorial opponent former state Attorney General Ken Eikenberry. King County Sheriff Dave Reichert and former Secretary of State Ralph Munro are onboard, along with former King County Council members and the Rev. John Boonstra, executive minister of the Washington Association of Churches.

The politically savvy group is entering a high-stakes battle over the future of gambling in Washington. The state's tribes already are trying to quash a coalition of charitable and for-profit gambling operators — from neighborhood



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EXHIBIT 5

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taverns with pull tabs to out-of-state casino investors — who are pushing for equal access to the profitable slot machines.

Today, tribes have a monopoly on the popular slots, won through lengthy court fighting. And they don't want non-tribal operators cutting into their lucrative market. In all, the state allows them to operate 18,900 slots, the same number now being sought by the non-tribal operators.

The tribal slots, especially those near major population centers, are cash cows and have helped the Indian casinos pay for numerous tribal-government programs.

Both the tribal casinos and the non-tribal card rooms have helped transform Washington's legalized gambling industry into a giant: It now grosses more than \$1 billion a year.

"We believe enough is enough," states a Jan. 10 letter from Citizens Against Gambling Expansion, sent to every member of the Legislature and to Gov. Gary Locke.

"Gambling is an activity that leads people to wager away money they need for housing, food and health care. It robs income from legitimate businesses and reduces the taxes they would otherwise pay ... What about the added costs for increased law enforcement and regulation? What about costs for treating gambling addicts?

**Citizens Against Gambling Expansion:
Key names in the new political-action committee**

Al Rosellini: Democrat, governor from 1957-1965

"These are just a couple of the many questions we hope the Legislature will consider before starting down a path that could turn Washington into the next Nevada," the letter states.

Dan Evans: Republican, governor from 1965-1977

John Spellman: Republican, governor from 1981-1985

A second letter mailed Jan. 23 to 2,000 elected officials and community leaders statewide urged them to join the fight.

Booth Gardner: Democrat, governor from 1985-1993

"We don't believe convenience gambling — with flashing neon signs and video slot machines everywhere we turn — is consistent with the vision most citizens have of our state's future," it states.

Mike Lowry: Democrat, governor from 1993-1997

Citizens Against Gambling Expansion was formed to create a new voice that transcends the tribal- and non-tribal fight, and to take on gambling itself, said Gardner, who served two terms as governor, from 1985 to 1993.

Ken Eikenberry: Republican, former state representative and three-term state attorney general

Norm Maleng: Republican, King County Prosecutor, first elected in 1978

"We'd be doing this if the tribes weren't involved," Gardner said. "I don't want those things to be everywhere you turn in Washington," he said of electronic slots. "I'd draw the line before accepting the revenue."

Expanding gambling

Supporters: The Entertainment Industry Coalition, a diverse group of restaurant, bar, bowling-alley, mini-casino and bingo-hall operators.

Maleng, who was the impetus behind the group's formation, is a longtime gambling opponent, believing it hurts children, families and communities, said his chief of staff, Dan

Opponents: Citizens Against Gambling

Satterberg.

But those seeking the same access to slots as the tribes say the issue comes down to one of fairness.

The Entertainment Industry Coalition, which already has spent more than \$477,000 pushing the measure, says the bill is desperately needed to help charities and mom-and-pop businesses compete against tribal casinos. Supporters of the bill were left fuming by their opponents' letters, which they call highly misleading.

Expansion, a new group formed to combat ~~some~~ expansion by any entity. Led by co-chairs former Gov. Booth Gardner and King County Prosecutor Norm Malmgren. Steering committee includes all five living former governors. Also, the Washington Indian Gaming Association and the Washington Coalition for Tribal Self-Reliance.

"I'm kind of upset about it," said Jim Springer, president of the Entertainment Industry Coalition and owner of Highlander Bowl in Kelso, which offers pull-tabs.

"They are saying there is going to be a casino on every street corner when all we are trying to do is survive and fix this horrific inequality with the tribal casinos."

The tribes also are spending money freely to fight the bill. They have hired the Seattle public-relations firm of Cocker Fennessy to help in their fight. A Web site has been created, mailings sent, and a statewide blitz of newspaper editorial boards by tribal officials was organized.

Some tribal leaders were gleeful to learn of the new lobbying effort.

"I'm thrilled," said Brian Cladoosby, the chairman of the Swinomish tribe who has helped lead tribal opposition to the bill. "I hope the Legislature and the governor will listen to these important voices."

Lynda V. Mapes: 206-464-2736 or lmapes@seattletimes.com

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Citizens Against Gambling Expansion
PO Box 4116
Seattle, WA 98104

February 27, 2003

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MAR 03 2003

Public Disclosure Commission

Mr. Philip E. Stutzman
Director of Compliance
Public Disclosure Commission
State of Washington
711 Capitol Way Room 206
Olympia, Washington 98504-0908

Dear Mr. Stutzman:

This letter responds to your inquiry of February 14, 2002 concerning Citizens Against Gambling Expansion (CAGE).

To assist in answering your questions, I have discussed this matter with representatives of Cocker Fennessy and with King County Prosecutor Norm Maleng. I want to first provide you with some general background information, and then to reply specifically to the questions posed in your letter.

Background information

I was first contacted by Mr. Maleng in mid-January 2003 and was told he and others intended to work together to oppose any expansion of gambling in Washington. During this mid-January conversation, we explored the possibility that these individuals, who intended to name the effort CAGE, at some point in time may need to register as a political committee with the Washington Public Disclosure Commission (PDC). It was not clear at that time, however, whether CAGE's activities warranted such a registration. As CAGE developed and its purpose and activities were better defined, however, we concluded that it was appropriate to register CAGE as a political committee with the PDC. Upon this determination, I promptly completed and returned to the PDC Form C-1 registering CAGE as a political committee on February 5, 2003.

Cocker Fennessy is a public affairs firm retained by a number of Indian tribes to promote public awareness of the benefits of tribal government gaming, how an expansion of gambling would hurt tribes and to assist in developing an effort to block any expansion of gambling. Cocker Fennessy's activities were, and are, reported to the PDC as grass roots lobbying expenses by the Washington Indian Gaming Association (WIGA) which is acting as a fiscal agent for their client.

Part of Cocker Fennessy's work was to organize civic and community leaders who were known to oppose the expansion of gambling. Cocker Fennessy learned that Mr. Maleng, who has a long history of opposing gambling expansion, including co-chairing the campaign against an initiative to allow slot machines in tribal casinos in the mid-1990s,

EXHIBIT 6

1 of 3

SEADOCS:147791.1

was interested in leading an effort to oppose gambling expansion. Cocker Fennessy also learned of former Governor Booth Gardner's opposition to gambling expansion.

Thus, Cocker Fennessy supported the early interest of Mr. Maleng and Governor Gardner in developing their plans. Cocker Fennessy's expenses related to these activities were reported to the PDC by WIGA. Because of this reporting, and the ambiguity of Mr. Maleng's and Governor Gardner's early roles, we believe there was no duty for further reporting prior to mid or late January 2003. Once it was determined that Mr. Maleng and Governor Gardner would lead a formalized and independent anti-gambling effort, Mr. Maleng immediately sought my assistance in registering CAGE as a political committee.

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MAR 03 2003

Questions

When did you first incur an obligation with Cocker Fennessy? Describe the nature of the obligation.

In mid-January 2003 – at the time the decision was made to make CAGE an independent political committee. Cocker Fennessy submitted an invoice to CAGE for services provided in January 2003.

What was the first work done for CAGE by Cocker Fennessy? Please describe this work, its estimated cost, and when the work was performed. Please also describe the nature and date of documentation provided by Cocker Fennessy of services provided.

The first work performed by Cocker Fennessy for CAGE was in January 2003. Work done prior to January 2003, including the development of a work plan and the registration of the 'nomoregambling.com' web site with the national registrar, was related to Cocker Fennessy's efforts and were reported to the PDC by WIGA.

CAGE requested that all work done in January 2003 related to CAGE, including Cocker Fennessy's early efforts with Mr. Maleng and Governor Gardner, be invoiced to CAGE. This work included writing materials that expressed CAGE's point of view concerning gambling expansion. It also included writing a letter to legislators and to community leaders, designing a web site and writing copy for it. The cost of these services was approximately \$11,488.75. CAGE was invoiced for these services on Feb 7, 2003.

When was the group's domain name purchased? What was the cost? Who was payment made to, by Cocker Fennessy, for the domain name?

Cocker Fennessy paid \$35 on December 3, 2002 to register "nomoregambling.org" with Network Solutions. Cocker Fennessy registered this domain name to reserve it for anticipated future use if and when there was an anti-gambling expansion group.

Who designed the group's web site?

The web site was designed in-house by Cocker Fennessy staff.

EXHIBIT 6

2 of 3

SEADOCs:147791.1

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MAR 03 2003

When was the web site development work done? What was the cost?

The web site was created between January 8 and 10, 2003. The cost was approximately \$870 of Cocker Fennessy staff time. The "nomoregambling.org" domain name was transferred to a web hosting firm on January 8, 2003, and the web site went live on January 10, 2003.

Public Disclosure Commission

What expenses have been incurred that were directly related to the mailings referred to in the complaint? How were the details of these expenses reported on the January C-4 report?

The expenses, in addition to the services noted above, included \$257.25 for postage to mail the letter to legislators and \$3,702.39 for the mailing to community leaders. It came to light in our research of this complaint that these costs were not included in the February 7th invoice from Cocker Fennessy. The C4 will be amended to include these additional expenses as a debt of CAGE.

Have you received pledges to pay for the cost of the group's efforts?

No.

If so, list the pledges, showing the person or entity making the pledge, the amount of the pledge, and the date pledged.

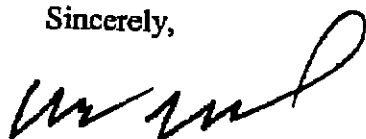
Not applicable -- see above.

Has CAGE hired a lobbyist? If so, please provide the details of who has been hired the amount paid or expected to be paid by that person.

No.

Thank you for the opportunity to respond to the complaint. Please feel free to contact me if you need additional information.

Sincerely,



Philip Lloyd
Campaign Treasurer

EXHIBIT 6

3 of 3

SEADOCs:147791.1

L2
 1/02

POC OFFICE USE

Lobbyist Monthly Expense Report
 (as required by Chapter 387, 1995 Session Laws)

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JAN 08 2003

Public Disclosure Commission

1. Lobbyist Name JOSEPH C. BECK
 Mailing Address 112 E. 4TH AVE.
 City OLY. State WA Zip + 4 98501
 2. This report is for the period 12 (Month) 02 (Year) This report corrects or amends the report for (Month) (Year)
 New Address? ☐ Yes ☐ No
 Business Telephone () -

| ALL COMPLETE THIS PART | | | COMPLETE IF YOU HAVE MORE THAN ONE EMPLOYER | | |
|---|---|--|---|-------------------------------|-------------------------------|
| Include all reportable expenditures by lobbyist and lobbyist's employer for or on behalf of the lobbyist incurred during the reporting period | | | Amount attributed to each employer | | |
| Expense Category | TOTAL AMOUNT THIS MONTH All employers plus own expense (Columns a + b + c + d and attached pages) | Amounts paid from lobbyist's own funds, not reimbursed or attributed to an employer. Column A | Employer No. ____ Column B | Employer No. ____ Column C | Employer No. ____ Column D |
| 3. COMPENSATION earned from employer for lobbying this period (salary, wages, retainer) | \$1,905.00 | | | | |
| 4. PERSONAL EXPENSES for travel, food and refreshments | | \$ | | | |
| 5. ENTERTAINMENT, GRATUITIES, TRAVEL, SEMINARS for state officials, employees, their families (See #15) | | | | | |
| 6. CONTRIBUTIONS to elected officials, candidates and political committees (See #16) | | | | | |
| 7. ADVERTISING, PRINTING, INFORMATIONAL LITERATURE | | | | | |
| 8. POLITICAL ADS, PUBLIC RELATIONS, POLLING, TELEMARKETING, ETC. (See #17) | | | | | |
| 9. OTHER EXPENSES AND SERVICES (See #18) | \$51575.20 | | | | |
| 10. TOTAL COMPENSATION AND EXPENSES INCURRED THIS MONTH | \$53480. | \$ | \$ | \$ | \$ |

22 (Attach additional page(s) if you lobby for more than three employers.)
 11. EMPLOYERS' NAMES
 No. ____ (B)
 No. ____ (C)
 No. ____ (D)
 12. Subject matter of proposed legislation or other legislative activity or rulemaking the lobbyist was supporting or opposing.
 Subject Matter, Issue or Bill No. Legislative Committee or State Agency Considering Matter Employer Represented

☐ Continued on attached pages

13. Of the time spent lobbying, what percentage was devoted to lobbying: the Legislature ____% State Agencies ____%.

14. TERMINATION: (COMPLETE THIS ITEM ONLY IF YOU WISH TO TERMINATE YOUR REGISTRATION)

Date registration ends:

Employer's name:

I understand that an L-2 report is required for any month or portion thereof in which I am a registered lobbyist. I also understand that once I have terminated my registration, I must file a new registration prior to lobbying for that employer in the future. All registrations terminate automatically on the second Monday in January of each odd numbered year.

CERTIFICATION
 I certify that this report is true and complete to the best of my knowledge.
 LOBBYIST SIGNATURE Joseph C. Beck DATE 1/7/03
 CONTINUE ON NEXT PAGE

EXHIBIT 7
 1 of 2

Lobbyist Name

Reporting
Period

(Month)

(Year)

JAN 08 2003

16. Itemize all of the following expenditures that were incurred by lobbyist or lobbyist employer(s) for legislators, state officials, state employees and members of the public relations industry. Show the actual amount incurred for each individual or the amount fairly attributed to each.
- Entertainment expenditures exceeding \$25 per occasion (including lobbyist's expense) for meals, beverages, tickets, passes, or for other forms of entertainment.
 - Travel, lodging and subsistence expenses in connection with a speech, presentation, appearance, trade mission, seminar or educational program.
 - Enrollment and course fees in connection with a seminar or educational program.
- Lobbyists must provide an elected official with a copy of the L-2 or Memo Report if the lobbyist reports: 1) spending on one occasion over \$50 for food or beverages for the official and/or his or her family member(s); or 2) providing travel, lodging, subsistence expenses or enrollment or course fees for the official and, if permitted, the official's family.

| Date | Names of all Persons Entertained or Provided Travel, etc. | Description, Place, etc. | Sponsoring Employer | Amount |
|---|---|--------------------------|---------------------|--------|
| | | | | \$ |
| NA Total expenses itemized on attached Memo Reports | | | | |

☐ Continued on attached pages.

16. If a monetary or in-kind contribution exceeding \$25 was given or transmitted by the lobbyist to any of the following, itemize the contribution below or on a Memo Report: local and state candidates or elected officials; local and state officers or employees; political committees supporting or opposing any candidates, elected official, officer or employee or any local or state ballot proposition. If a contribution exceeding \$25 was given to the following, itemize the contribution below: a caucus political committee; a political party; or a grass roots lobbying campaign.

| Date | Name of Individual or Committee Receiving Contribution | Source of Contribution | Amount |
|--|--|------------------------|--------|
| | | | \$ |
| NA Total contributions itemized on attached Memo Reports | | | |

If contributions were made directly by a political action committee associated, affiliated or sponsored by your employer, show name of the PAC below. (Information reported by PAC on C-4 report need not be again included in this L-2 report.)

☐ Continued on attached pages.

PAC Name:

17. Expenditures for: a) political advertising supporting or opposing a state or local candidate or ballot measure; or b) public relations, telemarketing, polling or similar activities that directly or indirectly are lobbying-related must be itemized by amount, vendor or person receiving payment, and a brief description of the activity. Itemize each expenditure on an attached page that also shows lobbyist name and report date. Put the aggregate total of these expenditures on line 8.

18. Payments by the lobbyist for other lobbying expenses and services, including payments to subcontract lobbyists, expert witnesses and others retained to provide lobbying services or assistance in lobbying and payments for grass roots lobbying campaigns (except advertising/printing costs listed in item 7).

| Date | Recipient's Name and Address | Employer for Whom Expense was Incurred | Amount |
|----------|--|--|-------------|
| 12/17/02 | Coc. Ker-Fearless 401-2ND AVE. S. #501- SEATTLE. WA. 98104- 380-1 | THE WA. INDIAN GAMING ASSOC. | \$51,575.26 |

☐ Continued on attached page.



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4

(3/97)

 PDC OFFICE USE
AMENDMENT

Candidate or Committee Name (Do not abbreviate. Include full name)

CIT AGAINST GAMBLING EXPANSION

03/01/2003

 Mailing Address
 PO BOX 4116

 City
 SEATTLE

 Zip + 4
 981044416

Office Sought (Candidates)

2003

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

| Report Period Covered | From (last C-4) | To (end of period) | Final Report? |
|-----------------------|-----------------|--------------------|---------------|
| | 01/01/2003 | 01/31/2003 | Yes No X |

RECEIPTS

*See next page

Yes No X

| | | |
|--|---------------|--------|
| 1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)..... | \$ | 0.00 |
| 2. Cash received (From line 2, Schedule A)..... | \$ | 0.00 |
| 3. In kind contributions received (From line 1, Schedule B)..... | | 0.00 |
| 4. Total cash and in kind contributions received this period (Line 2 plus 3)..... | | 0.00 |
| 5. Loan principal repayments made (From line 2, Schedule L)..... | (| 0.00) |
| 6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-) | + | 0.00 |
| 7. Net adjustments this period (Combine line 5 & 6)..... | Show + or (-) | + |
| 8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)..... | | 0.00 |
| 9. Total pledge payments due (From line 2, Schedule B)..... | 0.00 | |

EXPENDITURES

| | | |
|---|---------------|--------|
| 10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)..... | | 0.00 |
| 11. Total cash expenditures (From line 4, Schedule A)..... | | 0.00 |
| 12. In kind expenditures (goods & services) (From line 1, Schedule B)..... | | 0.00 |
| 13. Total cash and in kind expenditures made this period (Line 11 plus line 12)..... | | 0.00 |
| 14. Loan principal repayments made (From line 2, Schedule L)..... | (| 0.00) |
| 15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-) | + | 0.00 |
| 16. Net adjustments this period (Combine lines 14 & 15)..... | Show + or (-) | + |
| 17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)..... | | 0.00 |

CANDIDATES ONLY

| | Won | Lost | Unopposed | Name not on ballot |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Treasurer's Daytime Telephone No.:

(206) 932-8878

CASH SUMMARY

| | | |
|---|---|-------------|
| 18. Cash on hand (Line 8 minus line 17)..... | | 0.00 |
| [Line 18 should equal your bank account balance(s) plus your petty cash balance.] | | |
| 19. Liabilities: (Sum of loans and debts owed)..... | (| 15,498.39) |
| 20. Balance (Surplus or deficit) (Line 18 minus line 19)..... | | -15,498.39 |

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

LLOYD PHILIP

02/28/2003

EXHIBIT 8

1 of 2

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(11/93)

AMENDMENT

Candidate or Committee Name (Do not abbreviate. Use full name.)

CIT AGAINST GAMBLING EXPANSION

Report Date

03/01/2003

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

| Expenditure Date | Vendor's/Recipient's Name and Address | Amount Owed | Code OR | Description of Obligation |
|-------------------------------------|---|-------------|---------|----------------------------------|
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 11,488.75 | M | CONSULTING |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 50.00 | M | REIMB. MEDIA SERVICE E XPENSE |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 3,959.64 | L | REIMB. MAILING EXPENSE S |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL (Include in line 19 of C4) | | 15,498.39 | | |

EXHIBIT 8

2 of 2



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4

(3/97)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

CIT AGAINST GAMBLING EXPANSION

03/10/2003

Mailing Address

PO BOX 4116

City

SEATTLE

| | | |
|-------------------------------------|---|--|
| Zip + 4 981044416 | Office Sought (Candidates) 2003 | *For PACs, Parties & Caucus Committees: During this report period, did the committee make an <u>independent expenditure</u> (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate? |
| Report Period Covered 02/01/2003 | To (end of period) 02/28/2003 Final Report? Yes No X | |

RECEIPTS

* See next page Yes No X

1. Previous total cash and in kind contributions (From line 8, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) \$ 0.00
2. Cash received (From line 2, Schedule A) \$ 0.00
3. In kind contributions received (From line 1, Schedule B) 0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3) 0.00
5. Loan principal repayments made (From line 2, Schedule L) (0.00)
6. Corrections (From line 1 or 3, Schedule C) Show + or (-) + 0.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-) + 0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 0.00
9. Total pledge payments due (From line 2, Schedule B) 0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) 0.00
11. Total cash expenditures (From line 4, Schedule A) 0.00
12. In kind expenditures (goods & services) (From line 1, Schedule B) 0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) 0.00
14. Loan principal repayments made (From line 2, Schedule L) (0.00)
15. Corrections (From line 2 or 3, Schedule C) Show + or (-) + 0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-) + 0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 0.00

CANDIDATES ONLY

| | Won | Lost | Unopposed | Name not on ballot |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Treasurer's Daytime Telephone No.:

(206) 932-8878

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) 0.00
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) (32,875.99)
20. Balance (Surplus or deficit) (Line 18 minus line 19) -32,875.99

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

LLOYD PHILIP

Date

03/10/2003

EXHIBIT 9

1 of 2

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE TO C4

B

(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

CIT AGAINST GAMBLING EXPANSION

03/10/2003

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

| Expenditure Date | Vendor's/Recipient's Name and Address | Amount Owed | Code OR | Description of Obligation |
|-------------------------------------|--|-------------|---------|--|
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 24,183.75 | M | CONSULTING |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 65.50 | M | REIMB. MEDIA SERVICE E XPENES (SOLAXIS) |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 3,959.64 | L | REIMB. MAILING EXPENSE S |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 300.00 | G | REIMB. EVENT EXPENSES (TOWN HALL) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 108.80 | L | REIMB. MATERIALS (SHAR P GRAPHICS) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 223.20 | G | REIMB. SOUND SYSTEM (A BSOLUTE COMM. SOLUTION S) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 897.60 | L | REIMB. GRAPHIC DESIGN (YAM STUDIOS) |
| 02/28/2003 | KENT PATTON 2442 NW MARKET STREET SEATTLE WA 98107 | 2,500.00 | M | CONSULTING |
| 02/28/2003 | SOUND BUSINESS SERVICES 5236 36TH AVE. SW SEATTLE WA 98126 | 637.50 | M | ACCOUNTING/COMPLIANCE |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL (Include in line 19 of C4) | | 32,875.99 | | |

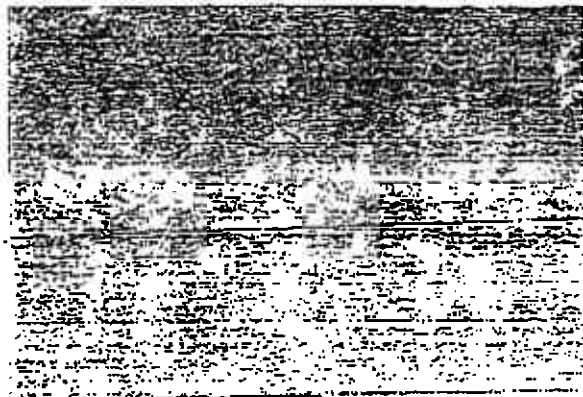
EXHIBIT 9
2 of 2

Norm Maleng

Citizens Against Gambling Expansion

Post Office Box 9158
Seattle, Washington 98109-0158

March 27, 2003



I need your help.

It's not very often that I reach out to my friends, but I am deeply troubled by what is happening in Olympia during this current legislative session.

Today, the gambling industry is fighting hard to win approval of legislation that would double the amount of gambling that is legal in our state. They want state legislators to allow more than 18,000 video slot machines in card rooms, restaurants, bars, taverns and bowling alleys. This move would make Washington state second only to Nevada in the total number of video slot machines!

An even worse idea is being floated by some state officials — they would have state government own the video slot machines. The theory behind this is, rather than just taxing privately owned machines, the state could rake in a lot more easy money.

Gambling has expanded enough

In Washington state, we've gone from virtually no legal gambling — except for pari-mutual betting on horse races — to an annual \$1.5-billion gambling industry. We now have state-sponsored lottery games, non-profit bingo and raffles, tribal casinos, card rooms and so-called "mini-casinos", and pull-tabs and punchboards in taverns and bowling alleys.

But the gambling industry has an insatiable appetite for growth. Every year their lobbyists are back down in Olympia asking for more games, more tables, more locations, more hours, and more betting. They say they just want to "level the playing field" with other competing gambling interests — but what they really want is a larger playing field. And every year the Legislature and the Gambling Commission give them a little bit more. And then the cycle repeats itself the following year.

It's not a question of whether or not you gamble — the question is how much is enough?

Former Governor Booth Gardner and I think we have enough gambling right now. It's breaking up families, causing crime and hurting the economy. It is time for us to say stop — no more expansion! In response to these proposals, we created "Citizens Against Gambling Expansion" (CAGE). We are opposed to any further expansion of gambling in the state of Washington, whether it is by the state, the tribes, the card room operators or the for-profit operators and charities.

It's not a good bet

Expanded gambling in Washington state is simply not a good bet. It is not good economics, it is not good public policy and it is not good for the quality of life in our state and our communities.

EXHIBIT 10
1 of 2

(over, please)

March 27, 2003

Page 2

Every public opinion survey shows that a majority of citizens oppose further gambling expansion. Voters in this state have twice overwhelmingly rejected gambling expansion initiatives during the past 10 years. More than 50 cities and counties have banned or restricted gambling activities in their communities. Most newspaper editors from around the state are also opposed.

The only advocates of more gambling are the folks in the gambling industry — the card room operators, the slot machine makers, and others who make their living from gambling.

As King County Prosecutor, I have always pledged to work hard and speak out on the major issues facing us. I am writing you today to ask for your help because I so strongly believe that expanded gambling would hurt our families and communities. We don't need state government addicted to taking advantage of its own citizens.

Dozens of community leaders and elected officials have already joined Governor Gardner and me in the effort to stop the growth of gambling. I am very proud that all of the other former governors — Albert Rosellini, Dan Evans, John Spellman and Mike Lowry — have joined us along with mayors and city council members, law enforcement officials, and religious leaders.

I would like to ask you to add your name to the growing list of citizens who support CAGE. Please fill in the enclosed form and join us today in our efforts to stop gambling expansion.

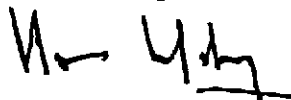
I would also like to ask you for your financial help. The proponents of video slot machine gambling have already spent nearly \$750,000 this year alone promoting this expansion! Many of these proponents are from out of state and we know that they will spare no expense in their efforts to open our state to more gambling.

Your contribution today of \$35, \$50, \$75, or \$100 ... or even more if you are able, will help CAGE to alert people who care about the future of our state. It will help us finance a letter-writing campaign so that state legislators hear directly from their constituents. They need to hear that we don't want our state turned into the Nevada of the Northwest!

But time is critical. The state Legislature may consider any number of gambling expansion proposals in the next several weeks. We are working hard to get the message out — but we need your help today!

Your support and contribution — whatever the amount — will be greatly appreciated and put to good use. Thank you for your help. I promise to keep you informed on our efforts.

Warmest regards,



Norm Maleng

PS: Any contribution you can make — even \$20 or \$25 — would make a big difference! In addition, you can help stop gambling by calling your legislators and telling them to vote against any gambling measures. Please call 1-800-562-6000 and the operator will connect you with your legislators. Call them today — Thanks!

EXHIBIT 10
2 of 2

Paid for by Citizens Against Gambling Expansion (CAGE) • Post Office Box 1727 • Seattle, WA 98111 • Phil Lloyd, Treasurer



RECEIVED
APR 04 2003
Public Disclosure Commission

April 3, 2003

Mr. Tony Perkins
Political Finance Specialist
Public Disclosure Commission
711 Capitol Way Suite 206
Olympia, Washington 98504-0908

Dear Mr. Perkins:

This letter responds to our telephone discussion last week and to your letter of March 28, 2003.

I believe some of the confusion about Citizens Against Gambling Expansion (CAGE) stems from the fact that CAGE retroactively assumed responsibility for some expenditures that were made before it was established as a committee.

Expenditures associated with efforts in December to organize a non-tribal group against gambling expansion – the group was later dubbed CAGE – were reported to the PDC by the Washington Indian Gaming Association (WIGA). January's expenditures, likewise, would have been reported by WIGA. But, after registering CAGE with the PDC on February 5, 2003, the leaders of CAGE asked that all expenditures associated with the formation of the non-tribal group that were incurred in January be billed to CAGE. This confusion could have been avoided if the January expenditures had been reported by WIGA, as Cocker Fennessy had assumed, and the new expenditures after February 5, 2003 reported by CAGE.

In quick review:

- The tribal coalition, CAGE and Cocker Fennessy – are and have been committed to fully complying with the letter and spirit of public disclosure requirements. In advance of organizing non-tribal support against expanded gambling, Cocker Fennessy pro-actively retained an attorney to provide continuing advice on compliance with reporting requirements. The attorney's research included consultations with PDC staff in November and December.

401 2nd Avenue South, Suite 501
Seattle, Washington 98104-3804
tel 206.652.9506
fax 206.652.8305

EXHIBIT

11
1 of 12

Page 2
Letter to Mr. Tony Perkins
April 3, 2003

- All expenditures associated with activities by the tribal coalition and CAGE were, and continue to be, reported to the PDC.
- Expenditures associated with efforts in December to organize a non-tribal group opposed to gambling expansion were billed to the tribal coalition and reported to the PDC by the Washington Indian Gaming Association (WIGA).
- It was our expectation that expenditures in January associated with the non-tribal group would continue to be billed to the tribal coalition and reported to the PDC by WIGA. Instead, the leaders of the non-tribal group decided in late January to create an independent committee. As a result, in early February, Cocker Fennessy was asked to retroactively attribute all expenditures in January to CAGE and to bill the committee for those expenditures.
- The confusion caused by the more detailed reporting and retroactive billing to CAGE contributed to clerical errors in the invoices that were sent to both organizations. Once the errors were discovered, we provided corrected invoices to both entities.

Enclosed, as you requested, are Cocker Fennessy invoices to the tribal coalition/WIGA for services provided in December and January, and to CAGE for services in January and February, along with the amended invoices as noted above. Some additional clarification of the invoices is necessary:

- There was a clerical error in the February 12, 2003 invoice to WIGA. It included a vendor expense that should have been billed to CAGE. The corrected invoice to WIGA is dated February 19, 2003.
- The invoice to the tribal coalition dated January 9, 2003 was revised on February 7, 2003 to assign reductions to specific activities. As a routine business practice, when we reduce invoices to clients, we typically show the reductions by activity. That was not done in the January 9, 2003 invoice and it was updated on February 7, 2003 for this purpose. The reduction shown under the heading "Anti-gambling expansion coalition" was not billed to CAGE or anyone else – this reduction and others simply reduce the overall amount charged to the client. In addition, the original invoice includes a clerical error. Under the "News media coordination" heading there is a bullet point noting "Draft Maleng/Gardner TNT op-ed". This bullet point should have been under the "Anti-gambling expansion coalition" heading.

EXHIBIT 11

2 of 10

Page 3
Letter to Mr. Tony Perkins
April 3, 2003

- The CAGE name was not coined until early January. The January 9, 2003 invoice for December activities, which includes references to "CAGE", was prepared in January after the name was adopted.
- The March 6, 2003 invoice to CAGE was revised on March 12, 2003. The revision included the expense that had inadvertently been billed to WIGA as noted above.

I hope this is helpful. Please call if you have additional questions.

Sincerely,



Rick Cocker
President

Enclosures

**COPY**

January 9, 2003

Invoice No. 185-08

INVOICE

TO: Mr. Joe Beck
Executive Director
Washington Indian Gaming Association
112 E. 4th Avenue
Olympia, WA 98501

December 1 - December 31, 2002

Cocker Fennessy provided public affairs services during this period in support of the Indian gaming public information/outreach campaign. The following details services provided on work-in-progress tasks:

INVOICE TOTAL: \$64,568.14
reduced by: -\$12,913.63

TOTAL AMOUNT DUE FOR THIS INVOICE: \$51,654.51

Thank you!

Cocker Fennessy is a Washington corporation.
Federal Tax Identification: 91-1623342

EXHIBIT 11
4 of 10

COPY

Invoice No. 185-08

January 9, 2003
REVISED February 7, 2003

INVOICE

TO: WA Coalition for Tribal Self-Reliance
112 E. 4th Avenue
Olympia, WA 98501

December 1 - December 31, 2002

Cocker Fennessy provided public affairs services during this period in support of the Indian gaming public information/outreach campaign. The following details services provided on work-in-progress tasks:

Anti-gambling expansion coalition

- * Coordinate CAGE activities with Maleng and Gardner
- * Draft CAGE messages
- * Draft CAGE letter to legislators
- * Register website domain name (nomoregambling.org)
- * Produce CAGE work plan

Anti-gambling expansion services subtotal: \$2,427.50
services reduced by: -\$2,427.50
\$0.00

INVOICE TOTAL: \$64,568.14
reduced by: -\$12,913.63

TOTAL AMOUNT DUE FOR THIS INVOICE: \$51,654.51

Thank you!

Cocker Fennessy is a Washington corporation.
Federal Tax Identification: 91-1623342

EXHIBIT 11

5 of 10



COPY

February 12, 2003

Invoice No. 185-09

INVOICE

TO: Washington Indian Gaming Association
112 E. 4th Avenue
Olympia, WA 98501
ATTN: Kelly Croman

CC: Randy Scott

January 1 - January 31, 2003

Cocker Fennessy provided public affairs services during this period in support of the Indian gaming public information/outreach campaign. The following details services provided on work-in-progress tasks:

Subcontractor

Cocker Fennessy acted as an agent on behalf of:

Direct Mailing Solutions Inc.
Morris Media

\$1,689.79

\$400.00

Subcontractor subtotal: \$2,089.79

TOTAL AMOUNT DUE FOR THIS INVOICE: \$50,000.00

Thank you!

Cocker Fennessy is a Washington corporation.
Federal Tax Identification: 91-1623342

EXHIBIT 11

6 of 10

COPY

REVISED
February 19, 2003

Invoice No. 185-09

INVOICE

TO: Washington Indian Gaming Association
112 E. 4th Avenue
Olympia, WA 98501
ATTN: Kelly Croman

CC: Randy Scott

January 1 - January 31, 2003

Cocker Fennessy provided public affairs services during this period in support of the Indian gaming public information/outreach campaign. The following details services provided on work-in-progress tasks:

Subcontractor

Cocker Fennessy acted as an agent on behalf of:

Morris Media

\$400.00

Subcontractor subtotal: \$400.00

Invoice Summary

| | |
|---------------------------|--------------------|
| WCTSR services & expenses | \$52,823.45 |
| Services reduction | -\$4,513.24 |

TOTAL AMOUNT DUE FOR THIS INVOICE: \$48,310.21

Thank you!

Cocker Fennessy is a Washington corporation.
Federal Tax Identification: 91-1623342

EXHIBIT 11

7 of 10

February 7, 2003

Invoice No. 192-01

INVOICE

TO: Mr. Phil Lloyd
Citizens Against Gambling Expansion
PO Box 1727
Seattle, WA 98111

January 1 - January 31, 2003

Cocker Fennessy provided public affairs services during this period in support of Citizens Against Gambling Expansion.

Anti-gambling expansion coalition

- * Build and maintain database
- * Coordinate meetings of interested parties
- * Develop and send letter to elected officials
- * Develop basic information materials
- * Develop media kits
- * Set up website
- * Set up toll-free number and voicemail box

TOTAL AMOUNT DUE FOR THIS INVOICE: \$11,538.75

401 Second Avenue South, Suite 501
Seattle, Washington 98104-3804

office 206.652.9506
fax 206.652.8305

EXHIBIT 11

8 of 10



COPY

March 6, 2003

Invoice No. 192-02

INVOICE

TO: Mr. Phil Lloyd
Citizens Against Gambling Expansion
PO Box 1727
Seattle, WA 98111

February 1 - February 28, 2003

Cocker Fennessy provided public affairs services during this period in support of Citizens Against Gambling Expansion.

Anti-gambling expansion coalition

- * Respond to information requests from CAGE members
- * Update CAGE membership
- * Develop CAGE materials
- * Assist CAGE Launch coordination
- * Consult CAGE leaders on public appearance opportunities

TOTAL AMOUNT DUE FOR THIS INVOICE: \$14,240.10

EXHIBIT 11

9 of 10



COPY

March 12, 2003

REVISED
Invoice No. 192-02

INVOICE

TO: Mr. Phil Lloyd
Citizens Against Gambling Expansion
PO Box 1727
Seattle, WA 98111

February 1 - February 28, 2003

Cocker Fennessy provided public affairs services during this period in support of Citizens Against Gambling Expansion.

Anti-gambling expansion coalition

- * Respond to information requests from CAGE members
- * Update CAGE membership
- * Develop CAGE materials
- * Assist CAGE Launch coordination
- * Consult CAGE leaders on public appearance opportunities

Subcontractor

Cocker Fennessy acted as an agent on behalf of:

YaM Studios

\$2,012.60

Direct Mailing Solutions

\$1,689.79

Expenses subtotal:

\$3,702.39

TOTAL AMOUNT DUE FOR THIS INVOICE: \$17,282.39

10 EXHIBIT 11
of 10

RECEIVED

APR 08 2003

Public Disclosure Commission

Cocker
Fennessy

April 8, 2003

Mr. Tony Perkins
Political Finance Specialist
Public Disclosure Commission
711 Capitol Way Suite 206
Olympia, Washington 98504-0908

Dear Mr. Perkins:

This letter responds to your e-mail yesterday requesting copies of the CAGE letters sent to members of the Legislature on January 10, 2003 and to local officials and community leaders on January 23, 2003.

A copy of each of those letters is enclosed. The letters were produced as a mail merge so the dates do not appear on these copies. Also enclosed is a flyer that was enclosed with the letter to local officials and community leaders, and a letter that was sent by CAGE to the Governor on January 21, 2003.

Sincerely,

Rick Cocker

Rick Cocker
President

Enclosures

EXHIBIT ¹²
1 of 7

Citizens Against Gambling Expansion

Date

Name

Title

Organization

Address

City State Zip

Dear Salutation Name:

During the 2003 legislative session, you will be faced with many challenges, and among the toughest will be balancing the budget. While you may be tempted by proposals to expand gambling to fill the state's budget hole, we urge you to oppose these plans which are fraught with hidden costs and unintended consequences.

More than 250,000 adults in our state have suffered from gambling problems sometime during their lives. This number and the consequent social costs—such as job loss, crime, domestic violence and substance abuse—will increase as gambling is expanded.

Gambling is an activity that leads people to wager away money they need for housing, food and health care. It robs income from legitimate businesses and reduces the taxes they would otherwise pay. Money spent on gambling is money *not* spent on movies, travel, concerts or dinners out.

What about the added costs for increased law enforcement and regulation? What about costs for treating gambling addicts? These are just a couple of the many questions we hope the Legislature will consider before starting down a path that could turn Washington into the next Nevada.

The kind of "convenience gambling" being proposed isn't what the Legislature intended when it legalized the lottery and social card games at corner bars and restaurants 30 years ago. From those humble beginnings, gambling in Washington has grown into a \$1.5-billion industry. Everyone has a piece of the action: the state has lottery games; the tribes have casinos; non-profits have bingo and raffles; and for-profit operators have card rooms, pull tabs and punch boards. We believe enough is enough.

The opposition to expansion proposals is strong and growing. We are spearheading a group, the Citizens Against Gambling Expansion, that will resist any proposal to increase gambling in the state. The Washington Association of Sheriffs and Police Chiefs opposes expanded gambling, as does the Washington Association of Prosecuting Attorneys. Voters have twice overwhelmingly rejected gambling initiatives during the past 10 years.

(over)

EXHIBIT ¹²

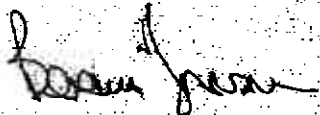
2 of 2

P.O. Box 4116 Seattle, WA 98104-0116
206/517-2623 • 877/202-7028

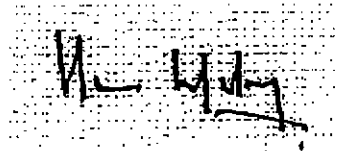
Every public opinion survey shows voters think we have enough—if not too much—gambling right now. In addition, more than 50 cities and counties have banned or restricted gambling activities.

For more information about our effort, we are enclosing several opinion pieces that oppose expanded gambling. If you have any questions or would like additional information, please call 206/517-2623 or 877/202-7028.

Sincerely,



Booth Gardner



Norm Maleng

EXHIBIT 12

3 of 7

Citizens Against Gambling Expansion

Date

Dear :

As people who care about the quality of life in Washington, we are writing to ask you to join our efforts to prevent further expansion of gambling.

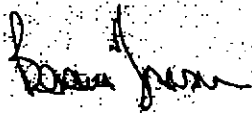
Gambling proponents, including some state elected officials, are urging the Legislature to allow as many as 18,900 new video slot machines in card rooms, bowling alleys, restaurants, bars, taverns, horse race tracks and bingo halls. Some are also calling for five-minute keno games operated by the state. This dramatic increase would change the face of Washington – and turn all kinds of establishments into casinos.

Proponents suggest that flooding the state with video slot machines and other gambling devices is a good thing because it would provide a new source of state revenue. While we need to find creative ways to generate new revenue, legislators should not resort to this desperate, "so-called" solution. Whatever new revenue might be generated comes with a cost and involves major public policy questions. We believe the debate over expanding gaming should center on those public policy questions – and the costs – not on the potential revenue. There are major unsolved policy issues, including whether state legislation would nullify the bans many local jurisdictions have on gambling.

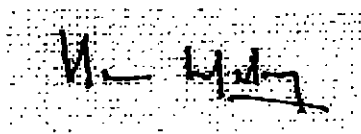
We don't believe convenience gambling – with flashing neon signs and video slot machines everywhere we turn – is consistent with the vision most citizens have of our state's future. We hope you share this view and will join our cause.

Please fill out the enclosed card and mail it back to us today.

Sincerely,



Booth Gardner
Former Governor



Norm Maleng
King County Prosecutor

P.O. Box 4116 Seattle, WA 98104
206/517-2623 or 877/202-7028
www.nomoregambling.org

EXHIBIT

4 of 7

Gambling promotions including large-scale electronic tournaments will be flooded with thousands of video slots to be installed in and around Nevada's horse park, as well as other restaurants and bingo halls. Some are also calling for five-minute, 200-game bonanzas. They're telling legislators that will bring millions of tax dollars to the state, one which they're not telling them is where it will cause serious revenue

Social problems will increase. Although not enough adults are being born and something to blame some social ills might be the fact the young are over-represented in the population, including the 10% of the population born in the last 10 years, and the trend is not all that good. For example, the birth rate is still

Most citizens don't want more gambling. 70% of voters are overwhelmingly against state and local governments turning the industry as a different more than twice as much as they have in the past. 50% of voters oppose gambling again.

State of Georgia, County of DeKalb, and City of Atlanta,
Georgia

I oppose further expansion of gambling, especially video slot machines, in Washington state.

NAME

TITLE

ORGANIZATION

ADDRESS

CITY

STATE

ZIP

PHONE

FAX

EMAIL

EXHIBIT

5 of 7

Citizens Against Gambling Expansion
P.O. Box 4116
Seattle, WA 98104-0116

PLACE
STAMP
HERE

**Don't gamble with
Washington's
quality of life.**



EXHIBIT 12

6 of 7

Citizens Against Gambling Expansion

January 21, 2003

The Honorable Gary Locke
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Dear Governor Locke:

We are writing to inform you of an effort during this legislative session to oppose any expansion of gambling in Washington. Our newly-created group, Citizens Against Gambling Expansion, will strongly resist any proposals that seek to increase gambling.

The consequences of expanded gambling are severe and not worth whatever tax revenue the state might gain. Gambling triggers addiction, attracts crime, and victimizes the poor. It robs income from legitimate businesses and reduces the taxes they would otherwise pay. Gambling is also becoming an epidemic among youth, and we do not believe the state should add to this problem by promoting more gambling.

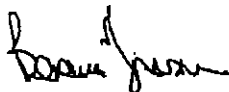
The public is opposed to expanded gambling. The Washington Association of Sheriffs and Police Chiefs and the Washington Association of Prosecuting Attorneys oppose any increase in gambling. Voters have twice overwhelmingly rejected gambling initiatives during the past 10 years. Every public opinion survey shows that voters think we have enough gambling right now. In addition, more than 50 cities and counties have banned or restricted gambling activities within their jurisdictions.

Our state needs a long-term solution to its current budget crisis—one that involves hard choices and political courage—not a short-term fix that will cause more harm than good.

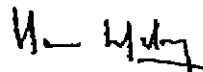
We look forward to working with you to create a Washington with an unrivaled quality of life—one that helps families, makes people feel safe and secure, attracts new businesses and has a vibrant economy.

If you have any questions or would like to discuss this matter further, please contact us.

Sincerely,



Booth Gardner
Former Governor



Norm Maleng
King County Prosecutor

cc: Fred Kiga, Jennifer Joly, Jim Hedrick and Dick Van Wagenen

EXHIBIT 12
7 of 2

P.O. Box 4116 • Seattle, WA 98104-0116 • 206/517-2623 or 877/202-7028
www.nomoregambling.org



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4

(3/97)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

CIT AGAINST GAMBLING EXPANSION

04/10/2003

Mailing Address

PO BOX 4116

City

SEATTLE

Zip + 4
981044416

Office Sought (Candidates)

2003

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

| Report Period Covered | From (last C-4) | To (end of period) | Final Report? |
|-----------------------|-----------------|--------------------|---------------|
| | 03/01/2003 | 03/31/2003 | Yes No X |

RECEIPTS

* See next page

Yes

No

X

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) \$ 0.00
2. Cash received (From line 2, Schedule A) \$ 0.00
3. In kind contributions received (From line 1, Schedule B) 0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3) 0.00
5. Loan principal repayments made (From line 2, Schedule L) (0.00)
6. Corrections (From line 1 or 3, Schedule C) Show + or (-) + 0.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-) + 0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 0.00
9. Total pledge payments due (From line 2, Schedule B) 0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) 0.00
11. Total cash expenditures (From line 4, Schedule A) 0.00
12. In kind expenditures (goods & services) (From line 1, Schedule B) 0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) 0.00
14. Loan principal repayments made (From line 2, Schedule L) (0.00)
15. Corrections (From line 2 or 3, Schedule C) Show + or (-) + 0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-) + 0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 0.00

CANDIDATES ONLY

| | Won | Lost | Unopposed | Name not on ballot |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Treasurer's Daytime Telephone No.:

(206) 932-8878

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) 0.00
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) (45,653.94)
20. Balance (Surplus or deficit) (Line 18 minus line 19) -45,653.94

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

LLOYD PHILIP

Date

04/10/2003

EXHIBIT 13

1 of 2

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)
CIT AGAINST GAMBLING EXPANSION

Report Date
04/10/2003

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

| Expenditure Date | Vendor's/Recipient's Name and Address | Amount Owed | Code OR | Description of Obligation |
|-------------------------------------|---|-------------|---------|--|
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 30,891.00 | M | CONSULTING |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 65.50 | M | REIMB. MEDIA SERVICE E XPENES (SOLAXIS) |
| 01/31/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 3,959.64 | L | REIMB. MAILING EXPENSE S |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 300.00 | G | REIMB. EVENT EXPENSES (TOWN HALL) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 108.80 | L | REIMB. MATERIALS (SHAR P GRAPHICS) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 223.20 | G | REIMB. SOUND SYSTEM (A BSOLUTE COMM. SOLUTION S) |
| 02/28/2003 | COCKER FENNESSY 401 2ND AVE. S. #501 SEATTLE WA 98104 | 897.60 | L | REIMB. GRAPHIC DESIGN (YAM STUDIOS) |
| 02/28/2003 | KENT PATTON 2442 NW MARKET STREET SEATTLE WA 98107 | 3,500.00 | M | CONSULTING (EST.) |
| 02/28/2003 | SOUND BUSINESS SERVICES 5236 36TH AVE. SW SEATTLE WA 98126 | 881.25 | M | ACCOUNTING/COMPLIANCE |
| 03/31/2003 | SOUND BUSINESS SERVICES 5236 36TH AVE. SW SEATTLE WA 98126 | 1,566.21 | P | REIMB. FUNDRAISING POS TAGE |
| 03/31/2003 | PMA DIRECT MARKETING 2400 W. COMMODORE WAY SEATTLE WA 98199 | 3,260.74 | L | PRINTING AND MAILHOUSE |
| | | | | |
| TOTAL (Include in line 19 of C4) | | 45,653.94 | | |

EXHIBIT 13

2 of 2

Tony Perkins

From: Rick Cocker [cocker@cofen.com]
Sent: Wednesday, April 23, 2003 4:24 PM
To: Tony Perkins
Subject: RE: PDC Case #03-157, Citizens Against Gambling Expansion

April 23, 2003

Tony,

Here are answers to the questions you posed today:

- 1) The CAGE letterhead was created by Cocker Fennessy staff on January 7, 2003. We subsequently embedded the logo into documents as needed rather than printing letterhead.
- 2) Cocker Fennessy was supporting activities of the anti-gambling group that evolved into CAGE in January 2003 beginning on January 2, 2003. The earliest staff activities including drafting letters and other written materials, research, collecting addresses, etc.
- 3) Cocker Fennessy does not have a written contract with CAGE. We have an oral agreement that CAGE will be charged for services and expenses. It is not unusual for our firm to undertake assignments without a written contract nor is it unusual for payment to lag behind invoices by several months. Cocker Fennessy expects to be paid in full for the services provided to CAGE.

Regards,

Rick Cocker

EXHIBIT 14

1 of 1

4/23/2003